

INDIAN RIVER COUNTY, FLORIDA

MEMORANDUM

TO: Jason E. Brown; County Administrator

THROUGH: Phillip J. Matson, AICP
Community Development Director

FROM: Andrew Sobczak
Assistant Community Development Director

DATE: April 4, 2022

SUBJECT: Redevelopment of Gifford Gardens (RFP 2021014)

It is requested that the following information be given formal consideration by the Board of County Commissioners (BCC) at its regular meeting of April 12, 2022.

DESCRIPTION AND CONDITIONS

On June 13, 2021, the Board of County Commissioners considered a presentation by staff concerning the redevelopment of the Gifford Gardens property located at 4730 40th Avenue. At the meeting, the BCC also approved a Request for Proposals (RFP 2021014) to advertise the project for contractors/developers to bid on redevelopment of the site with affordable housing.

Since the property is County-owned, the land is being provided at no cost to incentivize redevelopment. In addition, impact fee credits and water and sewer capacity Equivalent Residential Unit (ERU) credits are available to cover impact fee and water/sewer capacity charges, and up to \$350,000 of additional funds is available through the County from the American Rescue Plan (ARP) act for design, engineering, and related development costs. Although significant incentives were offered in support of the project, only one proposal was received (from East to West Development Corporation, a non-profit housing provider) by the September 21, 2021 deadline.

Under the RFP, many factors are considered in determining a successful proposal, one of the most important factors is the financial feasibility of the project. While the proposal submitted met the baseline requirements for the project, the average cost per home was just below the 2021 HOME and Housing Trust Fund Homeownership Sales Price Limit for a 3-bedroom home, indicating that it is at the limit of affordability for the target audience, households that earn between 80% and 120% of the Area Median Income (AMI).

Following research and review of the proposal, and meetings with East to West Development Corporation staff, alternatives such as lessening the quality of finishes, and/or substituting less expensive building materials were discussed that could marginally reduce the price for each single-family home. Unfortunately, due to the recent dramatic price increases in building materials, and shortages of materials, it is difficult to quantify future costs savings that could result from these changes.

Ultimately, the selection committee determined it would not recommend award to the sole proposer, as it is not in the public interest. The RFP gives the Board “the right to accept or reject any and all proposals in whole or in part and to waive any technicality or irregularity.” The RFP also provides that “the County may, solely at its own option, seek additional Submittals with this or a similar Submittal in the event the County, solely at its own option, determines that the quantity and/or quality of Submittals received is insufficient to meet the County's needs and/or that award of a contract arising from this RFP would not be in the public interest.”

On February 23, 2022, the Affordable Housing Advisory Committee (AHAC) met and considered the proposal received for the Gifford Gardens project. At the meeting, Committee members voiced concerns regarding the price of the houses being too high, and ultimately did not support the project for that reason. Since there is still a desire among the Committee members for redevelopment of the Gifford Gardens site with affordable housing, a workshop is scheduled for April 27, 2022, to identify more viable alternatives for affordable housing.

At the workshop, the price points, aesthetics, equity building potential, and community building potential for options including townhomes, condominiums, apartments, and different types of single-family homes will be discussed. Following the workshop, it is anticipated that a new RFP will be developed based on the findings.

RECOMMENDATION

In the interest of providing a redevelopment project for the Gifford Gardens property that offers housing within the financial reach of the community members which it intends to serve, and in line with the recommendations of the selection committee and the AHAC, staff recommends that the Board of County Commissioners reject the proposal from East to West Development Corporation for the redevelopment of the Gifford Gardens site with single-family homes.

Following the April 27, 2022 AHAC workshop, staff will return to the BCC with a summary of the workshop and a new RFP, as appropriate.

ATTACHMENTS

1. East to West Development Corporation Gifford Gardens Site Proposal