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Orlando mulls four affordable housing developers for 6 acres in Parramore

An artist's rendering from TVC Development (Vestcor) out of Jacksonville, of what its apartments may look like on six city-owned acres in Parramore. (TVC Development)

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The City of Orlando is considering four proposals it received in December to buy and redevelop 6.06 acres in the Parramore neighborhood for mixed-income residential, with affordable housing developers from Orlando, New York, Tampa and Jacksonville still in the running.

"One of the things that attracted me to this was the need. If you've driven through (Parramore) its obvious there needs to be an infusion of capital to revitalize it," Paula Rhodes, president with **InVictus Development** of Tampa, told **GrowthSpotter** on Tuesday. "There is new development activity going on in reasonably close proximity that you can create some synergy with. Those opportunities, when coupled with new housing for people, can help turn a neighborhood around."

The city and Community Redevelopment Agency (CRA), which collectively own the property, detailed in submission requirements published Nov. 5 that family-oriented housing and communal open spaces were desired, along with potential ground-floor retail along Parramore Avenue to aid in the neighborhood's revitalization.

As **GrowthSpotter** first reported on Oct. 8, a combination of affordable housing, market rate units and the city's first dedicated apartments for the chronically homeless was made a priority in the requirements. In its own conceptual site plan, the city pitched a combination of apartments and townhomes totaling 211 units.

The land is located on the northwest, southwest and southeast corners of Parramore Avenue and Conley Street, west of Downtown Orlando and just a few blocks south of Orlando City Soccer Club's new stadium.

Only 0.75 miles from Downtown Orlando's central business district, this neighborhood has been designated as a Qualified Census Tract, with a poverty level of 40 percent or more.

Six development groups submitted proposals by the Dec. 4 deadline. Of those, two were not invited to make formal presentations to the city's advisory committee: **Construct Two Group** of Orlando; and Arlington, Texas-based **Urban America Advisors**, which partnered with **Integrity Development Partners** of Valdosta, Georgia, as well as **SCG Development Partners** of Vienna, Virginia, itself an affiliate of Stratford Capital Group.

The city's advisory committee for the Parramore land will meet again on March 21 to continue their review of the proposals made in late January by the final four groups.

There is no deadline set for the selection process. The committee could eventually bring a recommended choice to City Council, which if approved, would authorize staff to negotiate any necessary agreements with the developer.

"We feel the city got a good level of response from interested developers, and each one has a different vision on what the development would look like, and how it will help to further revitalize the Parramore area," said Cassandra Lafser, city spokeswoman.

Below are highlights of the four proposals still under consideration:

*-- **Orlando Neighborhood Improvement Corporation** (ONIC), a non-profit developer based in Orlando that has focused on affordable housing since 1989*

Over the past five years, ONIC has been involved in acquiring and redeveloping two affordable housing properties in Orlando, including the Richard Allen Gardens at 720 Carter St., located adjacent to this Parramore redevelopment site.

ONIC has proposed 112 units of solely rental housing, made up of one-, two- and three-bedroom apartments and townhomes, with a mix of units dedicated to affordable, active senior, market rate and the chronically homeless.

ONIC's development would featured inter-connectivity, with courtyard clusters employed for larger buildings and intimate pedestrian gathering spaces. Programs, services and community engagement activities would be offered to residents, benefits touted to varying degrees in all the proposals.

The developer would build in one phase, with a project budget of $18.6 million, including a projected $500,000 to buy the city's 6.06 acres.

Funding would be sourced from Low Income Housing Tax Credits, a construction loan, partial deferral of the developer's fee, a federal home loan from the Affordable Housing Program, NeighborWorks grant funding and equity from ONIC itself.

Those sources make up $12.3 million of the projected budget, leaving a gap of $6.3 million the developer would still need to fill. The city and CRA would be asked to contribute via impact fee credits, or grants.

ONIC's partners on the proposal are **Royal American Management** (property manager), **Fugleberg Koch Architects**, **VHB, Inc.** (urban planner), **Walker & Company, Inc.** (general contractor), **Enterprise Community Partners** (financing), **Bellwether Enterprise** (mortgage lender), and **Terracon** (consulting engineers).

*-- **Gardner Florida**, an affiliate of Missouri-based affordable multi-family developer **Gardner Capital, Inc.**, which is partnering with New York-based **Duvernay + Brooks***

The co-developers proposed a walkable community connected to the surrounding neighborhood, with landscaped open space and communal facilities that would help attract non-public housing renters to produce a stable, mixed-income community over time.

Three phases totaling 202 units would be built, with financing from tax exempt bonds, subordinate financing from Florida Housing Finance Corporation, TIF funds from the city and CRA, a conventional first mortgage, deferred developer's fee, and 4 percent and 9 percent Low Income Housing Tax Credits across different phases.

Phase 1 (85 units) would be a mix of affordable and market-rate rental, Phase 2 (100 units) would also mix affordable and market-rate rental, while Phase 3 (17 units) would be for-sale townhomes. Sixtythree percent of the units would be affordable rental, and 37 percent would be market rate (29 percent rentals, 8 percent for-sale).

The co-developers forecast the first two phases to cost $16.9 million each (or $33.8 million overall for rental units). Financial closing and groundbreaking could occur by December 2017, with construction complete by November 2018, they estimate.

Gardner and D+B's partners on the proposal are **HOYT Architects** out of Sarasota, **Ken Stapleton & Associates** (consultant on urban revitalization), Royal American Management (property manager), and **Broad & Cassel** of Orlando (legal counsel).

-- ***InVictus Development LLC*** *out of Tampa*

With the proposed name of "Parramore Oaks," InVictus would develop a 211-unit mixed-income, family-oriented rental development with one-, two- and three-bedroom units.

Eighty percent of the property would be affordable housing (renters making no more than 60 percent of Area Median Income), and 20 percent would be market rate units. Five percent of the total would be permanent supportive housing for the homeless.

Built in two phases, Phase 1 would include a three-story apartment building with 20 units, a four-story building with 80 units and 17 townhomes (117 units overall). Phase 2 would include two four-story buildings with 40 units each, and 14 townhomes (94 units total). Green building and energy saving features would be featured throughout the development.

InVictus claimed its proposal exceeds the project plan requirements by providing a greater number of affordable housing units that requested, a choice driven by high demand for such units in the neighborhood.

Maintaining 20 percent of the units as market rate is strategic, the developer wrote, because while initial market rates for that neighborhood won't be much higher than the price of affordable units, they can rise over time. That meshes with the city's goal of revitalizing Parramore in a way that doesn't carry the stigma attached to an entirely low-income community.

InVictus projects a budget of $23.7 million to develop Phase 1, including $460,500 estimated to buy the city's land.

Both phases would be structured as mixed-finance developments, using a combination of Low Income Housing Tax Credit (LIHTC) equity, private debt, and local funds consisting of dedicated CRA Parramore money, Community Development Block Grants, HOME Program funds (from Housing and

Urban Development), and State Housing Initiative Partnership funds.

InVictus said it would apply for LIHTC funding for Phase 1 in late 2016, close on all financing in mid- to late 2017, finish construction by late 2018 and lease up to full capacity by late 2019. Phase 2 would follow a similar schedule, with construction to finish by late 2019.

InVictus' partners on the proposal are **Alliant Capital, Ltd.** (financing and tax credit syndication), **Forum Architecture & Interior Design**, **Royal American Construction** (general contractor), Royal American Property Management, and **GLE Engineering** (civil engineer).

-- ***TVC Development, Inc.****, a subsidiary of The Vestcor Companies out of Jacksonville*

TVC is an experienced Low Income Housing Tax Credit developer, and currently owns and operates 24 affordable housing communities with more than 5,400 units in Florida and Texas.

Its plan for the Parramore land includes 177 units, of which 152 will be rentals, with a LEED-certified architect and green building certification for the project's design.

Rental units are the focus of TVC's proposal, based on data from the city's own comprehensive plan for Parramore that indicates residents are more likely to rent than own. Median household income for the neighborhood is $15,493, which TVC said supports a complete focus on affordable housing, and not the mixed income approach desired by the city.

"When we saw this Parramore project opportunity come out, we thought we could get something done there with our experience in tax credit development," said Ryan Hoover, vice president of TVC Development. "We felt the best option would be focusing on the affordable model."

Phase 1 would include 120 affordable apartment units, Phase 2 would be 32 senior affordable apartments, and Phase 3 would be 25 townhome units for sale or rental. Construction on the first could start by August 2017, with Phase 3 complete by January 2019.

TVC would offer its rental tenants a Homeownership Program, which would combine with other state and local initiatives to promote a "move-up option" for community residents into home ownership.

The developer said programs would be offered to residents with local partners, ranging from preventative health care screenings to job training and money management seminars.

TVC has requested the city and CRA contribute the land at no cost in three phases, prior to construction starting for each. The developer is also seeking $3 million in city funds to bridge the funding gap for the 120-unit apartment community in Phase 1. This could be done through impact fee waivers, CRA and

CDBG funds.

Phase 2 (32 units) would require at minimum $175,213 from local government, via impact fee credits and CRA funds, the developer wrote.

TVC's partners on the proposal include **Group 4 Design Inc.** (architect) and **WRH Realty Services, Inc.** (property manager).

Have a tip about Central Florida development? Contact me at bmoser@growthspotter.com, (407) 420-5685 or @bobmoser333. Follow GrowthSpotter on Facebook, Twitter and LinkedIn.