



## Legislation Text

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**File #:** 080601., **Version:** 1

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### **Kennedy Homes (NB)**

The former Kennedy Homes site is one of the most well-known properties in Gainesville. Funded through a loan from HUD, the development originally opened in 1968. However over the years, the property unfortunately came to embody many negative stereotypes associated with low-income housing. Challenged by poor maintenance, drug, and crime issues, problems at Kennedy Homes resulted in negative impacts to the surrounding community. In 2007, the City purchased and cleared the property. Simultaneously, the City and the CRA coordinated the Southeast Gainesville Renaissance Initiative (SEGRI), which produced a master plan consisting of a series of conceptual development visions for six key sites - including Kennedy Homes-- located throughout the southeast Gainesville community. As a follow-up to the conceptual SEGRI Master Plan, the CRA has tackled two major projects. The first has involved coordination with local stakeholders to create a draft Special Area Plan (SAP) for the SEGRI area. The SAP consists of a regulatory toolset to achieve the sense of place, amenities, and high-quality design identified through the SEGRI Master Plan. City planning staff and CRA staff are working on a petition to include the SAP into the City of Gainesville Land Development Code. The second major follow-up project is the implementation of redevelopment activities at Kennedy Homes.

At its meeting on May 19, 2008, the CRA approved the proposed redevelopment scope for the former Kennedy Homes property and authorized staff to prepare a Request for Proposals (RFP) for a mixed-use project with a retail/commercial component and a mixed-income residential component, including an affordable housing component. The project scope will reinforce community efforts to establish a high-quality built environment; it will be characterized by innovative and attractive design, green building concepts, and dynamic street-level activity. The CRA, at its meeting on May 19, 2008, and the City Commission, at its meeting on June 23, 2008, authorized the negotiation of an option to purchase agreement between the CRA and the City for the purpose of having the CRA dispose of the property via an RFP process.

In order to establish the value of the site, the City had the property appraised in June 2008. The appraisal report valued the property at \$1,160,000. This value is significantly less than the approximate \$2,593,185 the City invested in 2007 to acquire the property and demolish the existing buildings. Given this disparity, along with the City's budget situation, the current real estate market and the CRA's current inability to provide long-term financial incentives (due to the still pending Strand decision), staff believes it would be prudent to allow the RFP respondents to propose the purchase price for the property, rather than for the City and the CRA to "artificially" establish the purchase price in the option to purchase agreement between the City and CRA. In order to do this, the City, and not the CRA, will need to issue the RFP. After evaluation of the proposals (including the proposed purchase price) by staff, the City Commission will be presented with a ranking of the proposals. If satisfied with the proposals and that the purchase price proposed is in the public interest, the City would then enter into an agreement for sale and purchase with the selected developer, with appropriate conditions if the purchase price is for less than "fair value". This is a departure from the process as currently approved by the CRA and City Commission; however, staff believes it is a necessary approach to obtain realistic proposals for a project that (a) achieves the City Commission and CRA vision for the redevelopment, and (b) will actually be constructed and succeed in the market.

CRA staff, as agent for the City, will continue to lead the RFP and redevelopment efforts. In addition, CRA staff will continue to work, on behalf of the CRA, by informing proposers of the potential availability of CRA funding for the redevelopment efforts.

At its meeting on November 17, 2008, the CRA authorized CRA Staff to act as agent for the City in the RFP process and redevelopment efforts for the former Kennedy Homes site and recommended the City Commission authorize same.

There is \$663,499 currently available in a General Government SEGRI account. \$25,000 of these funds have been approved by the City Commission for use to support the marketing efforts associated with issuing and promoting this RFP.

CRA to the City Commission: 1) Authorize CRA Staff to act as agent for the City in the RFP process and redevelopment efforts for the former Kennedy Homes site; and 2) Affirm the general scope of the RFP as approved by the CRA on May 19, 2008.