

## MEMORANDUM

**TO:** MAYOR AND CITY COMMISSION

**FROM:** CITY ATTORNEY'S OFFICE

**DATE:** June 3, 2019

**RE:** **Donation of Property Located at 912 and 920 N. Vermont Avenue to Talbot House Ministries of Lakeland, Inc.**

The Community Redevelopment Agency (CRA) and City own property located at 912 and 920 N. Vermont Avenue, as well as Parcel No. 242818-000000-031070 immediately to the south. The property is located approximately two blocks east of N. Massachusetts Avenue, north of E. Parker Street and south of E. Memorial Boulevard, and contains a 16-unit multi-family building. The property was previously the site of chronic and egregious code violations. Issues of illegal dumping, criminal activity and homeless camping were pervasive, ultimately leading the City to foreclose upon the property, obtaining title in February of 2018. The CRA then undertook substantial efforts to mitigate the blight. Today, the properties are regularly monitored for trespassing, with monthly carrying costs of \$1,725. The properties currently have an assessed value of just over \$160,000.







Since the City and CRA acquired title, there have been a number of inquiries and expressions of interest regarding the property. During discussions at one of the Mayor's Homelessness Steering Committee meetings, Dr. Brenda Reddout of Talbot House Ministries of Lakeland, Inc. (Talbot House) expressed potential interest in the acquisition of the property. Particularly, she mentioned the desire to convert the property into sixteen affordable housing units, with the intent to lease the apartments as veteran, workforce and disabled housing. Dr. Reddout sees the opportunity to provide supportive services to clients while offering rents in the \$250-\$600 range. Dr. Reddout's Board of Directors approved the pursuit of the project and began fundraising. At the March 2019 CRA Advisory Board meeting, Dr. Reddout presented her redevelopment plan for the property, which received the unanimous support of the Advisory Board. The CRA Advisory Board recommended donation of the property to the Talbot House and the provision of a \$50,000 contribution towards renovation costs so long as Dr. Reddout raises the remaining \$600,000 of her projected renovation costs by November 30, 2019. Dr. Reddout has indicated that her funding source will require the commitment of the property to affordable housing purposes for a period of at least 20 years.

Following the Advisory Board's recommendation, a notice of intent to dispose of the property was published as required by statute. A letter of intent to purchase (attached) was timely received from Premier Housing Investments, LLC. Premier Housing has offered to purchase the property for \$240,000, with no request for redevelopment assistance. Premier Housing owns and operates several multi-family properties in the same area as the subject property and intends to provide affordable low income housing in cooperation with local VA programs.

Based upon the consideration of both proposals, the recommendation of the CRA Advisory Board, and Talbot House's available client services and long-term commitment to affordable housing, it is recommended that the City Commission, acting on behalf of both the City and CRA, approve the donation of 912 and 920 N. Vermont Avenue, as well as Parcel No. 242818-000000-031070, to Talbot House Ministries of Lakeland, Inc., and the provision of a \$50,000 contribution towards renovation costs. Both the donation of property and contribution toward renovation costs will be subject to Talbot House raising the remaining \$600,000 of their projected renovation costs by November 30, 2019.

attachment

## LETTER OF INTENT TO PURCHASE

Date: 4/20/2019

TO: CITY OF LAKELAND REDEVELOPMENT AGENCY

RE: Vermont Avenue Apartments

The following sets out basic terms in which we would be prepared to purchase the property. These terms are not comprehensive and we expect any additional terms will be incorporated into a formal agreement to be negotiated. The basic terms are as follows:

1. Purchaser: Premier Housing Investments, LLC
2. Seller: Lakeland City Redevelopment Agency
3. Property: Vermont Avenue Apartments, Lakeland
4. Purchase price: \$240,000.00
5. Deposit: Upon execution of the agreement, the purchaser will deposit with title attorney of sellers' choice, the amount of \$20,000.00 which will be invested in a non-interest bearing account. This deposit will be fully refundable through the inspection period or if seller fails to close. The deposit will be applied to the purchase price at closing. If purchaser defaults at closing, the deposit will be retained by seller as its sole remedy.
6. Access to information/property: Upon execution of this letter of intent, the purchaser and its advisors will be given access to the property during normal business hours with reasonable advance notice.

As a locally owned and operated family business, we have worked tirelessly to improve the city of Lakeland through proper management of local housing for more than a decade. We intend to do an extensive remodel of the Vermont Apartments to include new roof, electric rewire, plumbing, windows, doors, walls, floors, kitchens, baths, landscape and security/surveillance systems. We want to take this opportunity to continue our goal of improving the city of Lakeland one block at a time.

In 2014, we acquired the Iowa and Morgan Ave Apartments from the CRA and have invested heavily in the remodel and proper management of these properties. Our investments include full interior remodels as well as adding more street lights to the parking lots, investing in landscape exterior building lighting, fencing and working with Lakeland police to add surveillance systems with access by law enforcement at both complexes. Both of our communities now enjoy full occupancy with a wait list of qualified tenants wanting to move in to these neighborhoods.

We have continued to invest in the community by purchasing 3 more triplexes adjoining the Iowa and Vermont Ave complexes in our effort to improve the neighborhood. We have also continued to expand our investment in the Morgan Ave neighborhood by purchasing two more adjoining multifamily lots from the CRA that we are currently developing into duplexes. Our vision is to take this opportunity to acquire the Vermont complex to expand our relationship with the local VA programs and Lakeland Housing Authority by providing the affordable low income housing that is so desperately needed in our community.





DEPARTMENT OF VETERANS AFFAIRS  
James A. Haley Veterans' Hospital  
13000 Bruce B. Downs Boulevard  
Tampa, FL 33612

In Reply Refer to:  
673/122

04/24/2019

RE: Premier Housing Solutions Management

To Whom It May Concern:

The purpose of this letter is to provide our support for Premier Housing Solutions Management to be considered as a purchaser through the Community Redevelopment Agency program in Lakeland, FL. Premier has been a valued landlord with the HUDVASH Program since 2010. Throughout our partnership we have housed many Veterans in their units throughout Lakeland and all of Polk County.

We find them an excellent partner in our supportive housing program who provides us and the veterans we serve with compassion, respect, and great customer service. They have been willing to work with tenants that have financial and psychosocial challenges giving them an opportunity to find permanent housing. They are responsive to their tenant concerns, and provide us with opportunities to mitigate circumstances that might otherwise return our participants back to homelessness.

We consistently show a need in our community for affordable, safe 1/2 bedroom units with landlords who will work with our local housing authority. We hope that you will consider Premier Housing Solutions Management in the Community Redevelopment Agency program to expand the availability of affordable housing in the Lakeland area.

Sincerely,

A handwritten signature in black ink, appearing to read "Harry McCurdy", is written over the word "Sincerely,".

Harry McCurdy  
Healthcare for Homeless Veterans Section Chief