



Memorandum

DATE: September 15, 2020
TO: Community Redevelopment Agency Board
FROM: Greg Harrison, CRA Executive Director
Nguyen Tran, CRA Director
RE: Assignment of Agreement and Third Amendment to Property
Disposition and Development Agreement with Hadar Homes, LLC

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Background

The redevelopment site (0.74 Acres) is located at the Northwest corner of NW 27 Avenue and NW 13 Street, immediately south of the Wendy's fast food restaurant on MLK Boulevard. The CRA Board approved a Property Disposition and Development Agreement with Hadar Homes on April 18, 2017 with a construction completion date of August 31, 2019. Due to unforeseen delays associated with rezoning the property from RM-12 (Multi-family Residential, 12 dwelling units per acre) to RPUD (Residential Planned Unit Development) to allow the establishment of 11 units on the parcel, the Developer requested a Second Amendment to the Development Agreement to extend the construction completion date to September 15, 2020. The CRA Board Approved the Second Amendment to Development Agreement on June 18, 2019. Site and building permits were recently received in August of 2020 and the Developer is ready to begin construction.

Issue

Due to Covid-19 and the total shut down due to this pandemic, additional delays were encountered. As mentioned earlier, the Developer is ready to begin construction; however, the construction completion date must be extended. CRA staff received a request from the Developer to extend the construction completion date to February 1, 2022 and two other changes to the Development Agreement. First, the Developer is requesting an Assignment of the Development Agreement to a newly formed single purpose entity for which the Developer remains the managing member. Second, the Developer is requesting the elimination of the 10 year builder's insurance requirement since the 11 unit townhouse development will be a rentals and not fee-simple form of ownership. Since the Developer will also be the Owner of this community, the 10 year builder's insurance requirement is an unnecessary expense since the Developer/Owner will be responsible for the operations and maintenance of this community.

Recommendation

Staff recommends approval of the Assignment of Development Agreement and the Third Amendment to Property Disposition and Development Agreement.