



P. O. Drawer 1300  
Pompano Beach, FL 33060

Phone: (954) 786-5535  
Fax: (954) 786-7836

## **MEMORANDUM**

**DATE:** September 17, 2019

**TO:** CRA Board of Commissioners

**THRU:** Gregory P. Harrison, Executive Director  
Nguyen Tran, Director

**FROM:** Kimberly Vazquez, Project Manager

**SUBJECT:** Northwest CRA Real Estate Development Accelerator Program Amendment

---

### **Issue**

Community Redevelopment Agency (CRA) staff is seeking approval to amend the Real Estate Development Accelerator (REDA) Program for the Northwest CRA district extending the Phases of the program for an additional six years, placing emphasis on the Downtown Pompano Transit Oriented Development Area and 27<sup>th</sup> and 31<sup>st</sup> Avenue Corridors and adding a provision to exceed the 80% threshold in Phase I provided the development project meets specific criteria.

### **Background**

The CRA approved the Real Estate Development Accelerator (REDA) program many years ago to attract private investment dollars to the District. REDA, is a performance-based tax incentive, phased in program that provides a larger incentive to developers during the initial development stage. Developers who bring projects to the area in the early stages are accepting more risk; they will incur more costs for marketing their development and may experience slower sales or rentals than projects that are built after the market is established. Costs to develop projects are also generally higher due to the lenders ability to mitigate risk by charging higher interest rates or to require more up-front equity, negatively affecting a developer's proforma.

The current guidelines of the REDA program expire Phase I by 9/30/2019. Staff is recommending to amend the current program and extend the phases out for an additional six (6) years as the Northwest District is still in a transitional phase of development. In addition, a provision has been included to exceed the 80% threshold in Phase I of the program provided specific criteria is met. i.e. first development of its kind within the emphasized areas, the property is privately owned, the project exceeds \$50 million in development costs, the project is



P. O. Drawer 1300  
Pompano Beach, FL 33060

Phone: (954) 786-5535  
Fax: (954) 786-7836

---

mixed-use and provides market rate housing with amenities and gap in the development proforma cannot be recovered within the life span of the Northwest CRA (Year 2040).

**Recommendation**

CRA staff is recommending approval of the proposed amendments to the REDA program to strengthen the effects that this program will have on the Northwest CRA district not only in the future downtown but along the western CRA District boundaries.