

POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY

Meeting Date: February 17, 2015

Agenda Item 11

REQUESTED CRA BOARD ACTION:

Resolution(s) Consideration Approval Other

SHORT TITLE OR MOTION: A RECOMMENDATION TO ACCEPT AN UNSOLICITED PROPOSAL FROM KENNY DAVIS CONTRACTING, LLC. TO CONSTRUCT TWO SINGLE FAMILY HOMES ON TWO VACANT LOTS OWNED BY THE POMPANO BEACH COMMUNITY REDEVELOPMENT AGENCY, LOCATED AT 1930 NW 8 STREET AND 1950 NW 8 STREET, POMPANO BEACH, FLORIDA AND AUTHORIZE NEGOTIATIONS ON A PROPERTY DISPOSITION AND DEVELOPMENT AGREEMENT.

Summary of Purpose and Why: The Pompano Beach CRA received an unsolicited proposal from Kenny Davis Contracting, LLC (KDC) to construct two single-family homes on two vacant lots owned by the Pompano Beach CRA. The vacant lots are located on the south side of NW 8 Street, between NW 19 Avenue and NW 21 Avenue. Mr. Davis has two qualified buyers and indicated that construction financing is in place. Mr. Davis request that the lots be donated so that two affordable homes could be constructed on each vacant lot. Mr. Davis has submitted 2 proposals previously to construct similar affordable single family homes on CRA owned properties located at 1651 NW 15 Street and 1502 NW 17 Avenue. The CRA closed on the 1502 NW 17 Avenue property and construction is underway and is near completion. The CRA will close on the 1651 NW 15 Street property once building permits have been received. Elevations, a floor plan, detailed construction cost estimate and lot information are included in the following staff report. CRA Staff recommends the acceptance and authorization to start negotiating a Disposition and Development Agreement between the Pompano Beach CRA and Kenny Davis Contracting, LLC.

QUESTIONS TO BE ANSWERED BY ORIGINATING DEPARTMENT:

- (1) Origin of request for this action: Staff
- (2) Primary staff contact: Nguyen Tran Ext. 7769
- (3) Expiration of contract, if applicable: N/A
- (4) Fiscal impact and source of funding: N/A

DEPARTMENTAL COORDINATION	DATE	DEPARTMENTAL RECOMMENDATION	AUTHORIZED SIGNATURE OR ATTACHED MEMO NUMBER
<input checked="" type="checkbox"/> CRA Executive Director			
<input type="checkbox"/> CRA Director			
<input checked="" type="checkbox"/> Finance Director			

ACTION PREVIOUSLY TAKEN BY CRA BOARD:

Resolution Results:	Consideration Results:	Other Results:



P. O. Drawer 1300
Pompano Beach, FL 33061

Phone: (954) 545-7769
Fax: (954) 786-7836

MEMORANDUM

Date: February 9, 2015

To: CRA Board

Through: Christopher J. Brown, Co-Executive Director
Kim Briesemeister, Co-Executive Director

From: Nguyen Tran, Northwest CRA Director 

Subject: Development Proposals – Lot 4 and Lot 6, Block 2, of Williams Subdivision

The Pompano Beach CRA received an unsolicited development proposal from Kenny Davis Contracting, LLC (KDC) to construct two single-family homes on two vacant lots owned by the Pompano Beach CRA. The vacant lots are both located on the south side of NW 8 Street, between NW 19 Avenue and NW 21 Avenue within the Old Collier neighborhood. The following is a summary of the lots included in this proposal:

Homebuyer:	Frederick Hanna	John and Latoya James
Property ID:	484234080270	484234080290
Legal Description:	Lot 4, Block 2, Williams Sub.	Lot 6, Block 2 Williams Sub.
Property Address:	1930 NW 8 Street	1950 NW 8 Street
Property Assessment:	\$18,360	\$18,340

Mr. Davis has submitted 2 proposals previously to construct similar affordable single family homes on CRA owned properties located at 1651 NW 15 Street and 1502 NW 17 Avenue. The CRA closed on the 1502 NW 17 Avenue property and construction is underway and is near completion. The CRA will close on the 1651 NW 15 Street property once building permits have been received.

With respect to the current development proposals, Mr. Davis has two qualified prospective homebuyers and construction financing is in place. Mr. Davis is requesting that the CRA owned lots be donated and KDC will construct two similar, 3-bedroom, 2-bath concrete block model home with 2-car garage. As with the previous CRA agreements with KDC, LLC, a Property Disposition and Development Agreement, a Declaration of Restrictions and Covenants and a Re-conveyance Agreement will be executed as part of the process and will be presented before the CRA Board for approval should this unsolicited proposal be accepted.

In analyzing the proposals, the lots are appropriate for the proposed single-family homes and KDC's construction cost estimate (\$150,000 each) is within industry standards. In addition, the



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development proposals coincide with the CRA's affordable single-family infill housing goals and the proposed homes will enhance the surrounding area. The unsolicited proposals were considered at the Northwest CRA Advisory Committee meeting of February 2, 2015 and were accepted. The Advisory Committee moved forward a recommendation of approval to the CRA Board.

Recommendation:

Staff recommends acceptance of this unsolicited development proposal and move forward with negotiations on a Property Disposition and Development Agreement, a Declaration of Restrictions and Covenants, and a Re-conveyance Agreement with Kenny Davis Contracting, LLC for each lot.



POWERLINE ROAD

NW 21 AVENUE

Jesus Christ Supernatural Life Center

Lot 6

Lot 4





January 12, 2015

City of Pompano Beach
Community Redevelopment Agency
Mr. Nguyen Tran, Northwest Director
100 West Atlantic Blvd. Room 276
Pompano Beach, Florida 33060

RE: Available Lots

Dear Mr. Tran:

Please except this letter as an unsolicited request to develop two vacant lots currently owned by Pompano Beach CRA. The following prospective homebuyers has authorized me (**as their builder**) to make this formal request as to whether the vacant infill residential lot noted below is available for development.

Client: Frederick Hanna

Property ID #: 4842 34 08 0270

Legal Description: Lot 4, in Block 2, of WILLIAMS SUBDIVISION, according to the plat thereof, as recorded in Plat Book 28 Page 47, Public Records of Broward County, Florida.

Property Address: 2008 North West 8th Street, Pompano Beach, Florida 33069

Client: John And Latoya James

Property ID #: 4842 34 08 0290

Legal Description: Lot 6, in Block 2, of WILLIAMS SUBDIVISION, according to the plat thereof, as recorded in Plat Book 28 Page 47, Public Records of Broward County, Florida.

Property Address: 2042 North West 8th Street, Pompano Beach, Florida 33069

It is our request that the Pompano Beach CRA partner with us **by donating the vacant lot** to the project. We would then develop each lot into an affordable single-Family home in which they will purchase from KDC and become a tax paying citizen of Pompano Beach. The targeted sale price proposed is \$150,000, assuming the request noted above is granted.

The proposed model to be built is a 3-bedroom 2-bath model with 2-car garage, equipped with hurricane impact windows and doors, cement block construction, a ten year limited structural warranty, and much more. It is approximately 1441 square feet of living space.

Enclosing for you review is the proposed Model Layout, a construction costs breakdown, lot reservation agreements with deposit for each lot and the buyer's Mortgage pre-Approval letter.

Mr. Tran, the prospective buyers and my company are very excited about this opportunity. It's our sincere hope that after reviewing this request, that you find a way to make this reality. If you and the CRA administrator find this request workable, **please inform us how to proceed accordingly.**

Thank you very much for your consideration and we look forward to hearing from you soon in this regards. I can be reach at 954-448-3482 or by email at kennydavis12@gmail.com.

Respectfully,

Kenny M. Davis

Kenny M. Davis
Builder CRC 039284

Enclosure

h. Miscellaneous

Total: **\$8,871.00**

FINISHES:

9)	a.	Drywall Interior	\$11,991.50
	b.	Window Sills	\$210.00
	c.	Exterior Stucco	\$4,423.50
	d.	Bathroom Tile	\$1,412.18
	e.	Painting	\$3,602.50
	f.	Floor Tile	\$1,513.75
	g.	Carpeting	\$888.75
	h.	Shelving	\$600.00
	i.	Mirrors	\$270.00
		Total:	\$23,912.18

CABINETS:

10)	a.	Kitchen Cabinets and Tops	\$3,201.25
	b.	Vanity Cabinets	\$360.25
	c.	Vanity Tops	\$216.15
	d.	Miscellaneous	
		Total:	\$2,377.65

SPECIALTY ITEMS:

11)	a.	Storm Protection	
	b.	Appliances:	
		i. Hood and Range	\$530.00
		ii. Refridgerator	\$525.00
		iii. Washer	\$625.00
		iv. Dryer	\$465.00
		v. Garbage Disposer	\$55.00
	c.	Bath Accessories	\$180.00
	d.	Tub and Shower Enclosures	
	e.	Mail Box and Address Numbers	\$42.00
	f.	Miscellaneous	
		Total:	\$2,422.00

MECHANICAL:

12)	a.	HVAC System	\$5,323.00
	b.	Plumbing	\$5,395.05
	c.	Plumbing Fixtures	\$260.00
	e.	Miscellaneous	
		Total:	\$8,978.05

ELECTRICAL:

13)	a.	Wiring	\$5,072.32
	b.	Fixture	\$360.00
	c.	Ceiling Fans	\$520.00
	d.	Alarm system wiring only	\$275.00
		Total:	\$6,227.32

OTHER:

14)	a.	DRC Plan Review	\$75.00
	b.	Window Treatments	\$390.00
	c.	Warranty Program	\$288.20
	f.	Homebuyer's Counseling	
		Total:	\$753.20

Total Construction Cost: **\$125,719.84**

Company Overhead \$6,285.99

Contractor Profit \$18,857.98

Total project Cost: **\$150,863.81**



LOT RESERVATION DEPOSIT AGREEMENT

Purchaser Frederick Hanna
Address 8918 NW 34th Street
City Sunrise State Florida Zip 33351
Address 2008 NW 8th Street, Pompano Beach, Fl. 33069

I, We, Frederick Hanna ("Purchaser") do hereby make application to Kenny Davis Contracting, LLC for a single family home to be built within its affordable housing program known as **Pompano Beach Infill**.

I/We hereby deposit with Kenny Davis Contracting, LLC. (Builder) the amount of \$6,000.00 as a lot reservation deposit. Purchaser acknowledges that no interest shall be earned by, or paid to, the Purchaser (s) on this Lot Reservation Deposit.

This Reservation Agreement does not constitute a Purchase Agreement, or guarantee any fixed purchase price for a single family home to be built.

In consideration of your Reservation deposit, Kenny Davis Contracting, LLC will seek whether the above identified lot is available for development for a period of time not to exceed ninety (90) days after execution of this agreement or until Builder and Purchaser execute a New Construction Purchase Agreement.

At any time prior to Builder and Purchaser (s) executing a Purchase Agreement, the Builder has the unconditional, unqualified right (i) to cancel this Lot Reservation Agreement upon written notification to the Purchaser(s) of such election to cancel, and (ii) to cause the refund of the reservation deposit to Purchaser(s).

Conversely, at any time prior to Builder and Purchaser(s) executing a Purchase Agreement, Purchaser also has the unconditional, unqualified right to cancel this Lot Reservation Agreement upon written notification to the Builder.

At the time the Purchaser enters into the Construction Purchase Agreement with the Builder herein, and then all funds deposited under this Lot Reservation Deposit Agreement shall be transferred as an earnest money deposit and credited to the Purchaser as part of the down payment under the Purchase Agreement. In such event, the funds transferred shall cease to be controlled by the terms hereof, but shall instead be controlled pursuant to the terms of the Construction Purchase Agreement.

In the event Purchaser fails to execute said new Construction Purchase Agreement within Five (5) days after Purchaser's inspection and acceptance of a chosen model to be constructed, then the reservation funds deposited pursuant to this agreement shall be refunded to Purchaser and neither Purchaser nor Seller shall have any further liability to the other under this agreement and the termination of this Agreement shall be effective immediately. Upon the termination of this Agreement as aforementioned, all rights and liabilities of the parties hereunder shall cease and terminate.

The Purchaser(s) shall not have the right to assign this Lot Reservation Deposit Agreement or Purchaser (s) rights to the Reservation Deposit without prior written consent of the Builder.

The Purchaser(s) has the right to, and shall, receive all homeowner association/land use documents required under Florida law prior to executing a Purchase Agreement. If Purchaser(s) fails to execute and return to Builder the executed Purchase Agreement within three (3) days after receipt thereof, this Agreement shall terminate effective immediately. Builder shall thereafter issue a refund of the Reservation Deposit to the Purchaser(s) and neither Purchaser nor Builder shall have any further liability to the other under this agreement.

As previously stated, prior to the execution of the Construction Purchase Agreement, the Purchaser shall have the unqualified right, upon his/her sole determination, not to purchase the unit and upon written request by the Purchaser to the Builder, shall have all monies that have been deposited hereunder returned promptly to the Purchaser.

Dated this 7 day of Jun, 2015

PURCHASER (S)

By: Frederick Hanna

Kenny Davis Contracting, LLC

Kenny Davis
Authorized Representative

By:

7160 N W 47th Place
Lauderhill, Florida 33319
954-448-3482

CREDIT APPROVAL/PREQUALIFICATION

Date 01/08/2015

PARAMOUNT RESIDENTIAL MORTGAGE GROUP, INC. is committed to providing outstanding service throughout the Home Loan Process to Real Estate Professionals and Borrowers alike. Our Team and Systems ensure that The Purchase Transaction Experience will be well communicated from start to finish.

This is to certify that as of 01/08/2015, Frederick Hanna have/has been pre-approved for a secured residential real estate loan with the following parameters:

Borrower(s):	Frederick Hanna	Occupancy Type:	Primary
Sales Price:	\$ 150,000.00	Term:	360
Loan Number:	325456800	Down Payment:	\$ 4,500.00
Loan Type:	<input checked="" type="checkbox"/> FHA <input type="checkbox"/> CalHFA-FHA	<input type="checkbox"/> CONV	<input type="checkbox"/> VA <input type="checkbox"/> Other

This credit approval is based upon an initial review and verification of information you provided on income, debts and credit. This opinion is non-transferable and non-negotiable and is subject to the pricing and other terms and conditions applicable to the loan type and amount that is finally approved.

The signing of the application form or any related documents in connection with the application for a loan does not constitute a commitment to grant a loan. In order to grant a loan, our underwriter will evaluate factors other than just the application, including employment status, employment history, credit status, credit history, information contained in the documents provided to us, and others matters relating to the condition and valuation of the real property. Further, the granting of a loan may be provided provisionally with conditions concerning payoff of certain other credit obligations.

Each loan application is reviewed on its own merits on a case-by-case basis. This credit approval is valid for 60 days from the date indicated above. If interest rates increase, thereby increasing the monthly payment amount, it is possible you may not qualify for the maximum purchase price and loan amount indicated above. This credit approval is not a guarantee of points, fees, or interest rate. Any adverse material changes to the information you provided may affect final loan approval, causing us to change or void this opinion without further notice.

Thank you, for the opportunity to assist with this transaction. We look forward to working with you on a speedy loan approval and successful close of escrow. Our current closing time is 21 business days from date of full RPA acceptance.

Paramount Residential Mortgage Group, Inc.

NMLS# 75243

Michelle Davis

Mortgage Loan Originator

NMLS# 374283

Phone: (954) 445-4768

Fax: (951) 547-6151

Email Address: mdavis@prmgroup.net

Making the American Dream of Homeownership Possible... Everyday!



Note: This is not a loan commitment, guarantee of any financial benefit, or a guarantee of any kind. Loan approval and rate are dependent on borrower credit, collateral, and financial history; and loan programs available at time of preparation. Interest rate and loan terms are subject to change without notice. This is an estimate. actual costs may vary. © 2011 Paramount Residential Mortgage Group, Inc. All Rights Reserved.

Revised 12/6/12





LOT RESERVATION DEPOSIT AGREEMENT

Purchaser John James and Layola James
Address 1535 NW 3rd Way
City Pompano Beach State Fl. Zip 33062
Address 2042 NW 8th Street, Pompano Beach, Fl. 33069

I We, John + Layola James ("Purchaser") do hereby make application to Kenny Davis Contracting, LLC for a single family home to be built within its affordable housing program known as **Pompano Beach Infill**.

I We hereby deposit with Kenny Davis Contracting, LLC. (Builder) the amount of \$20,000.00 as a lot reservation deposit. Purchaser acknowledges that no interest shall be earned by, or paid to, the Purchaser (s) on this Lot Reservation Deposit.

This Reservation Agreement does not constitute a Purchase Agreement, or guarantee any fixed purchase price for a single family home to be built

In consideration of your Reservation deposit, Kenny Davis Contracting, LLC **will seek whether the above identified lot is available for development** for a period of time not to exceed ninety (90) days after execution of this agreement or until Builder and Purchaser execute a New Construction Purchase Agreement.

At any time prior to Builder and Purchaser (s) executing a Purchase Agreement, the Builder has the unconditional, unqualified right (i) to cancel this Lot Reservation Agreement upon written notification to the Purchaser(s) of such election to cancel, and (ii) to cause the refund of the reservation deposit to Purchaser(s).

Conversely, at any time prior to Builder and Purchaser(s) executing a Purchase Agreement, Purchaser also has the unconditional, unqualified right to cancel this Lot Reservation Agreement upon written notification to the Builder.

At the time the Purchaser enters into the Construction Purchase Agreement with the Builder herein, and then all funds deposited under this Lot Reservation Deposit Agreement shall be transferred as an earnest money deposit and credited to the Purchaser as part of the down payment under the Purchase Agreement. In such event, the funds transferred shall cease to be controlled by the terms hereof, but shall instead be controlled pursuant to the terms of the Construction Purchase Agreement.

In the event Purchaser fails to execute said new Construction Purchase Agreement within Five (5) days after Purchaser's inspection and acceptance of a chosen model to be constructed, then the reservation funds deposited pursuant to this agreement shall be refunded to Purchaser and neither Purchaser nor Seller shall have any further liability to the other under this agreement and the termination of this Agreement shall be effective immediately. Upon the termination of this Agreement as aforementioned, all rights and liabilities of the parties hereunder shall cease and terminate.

The Purchaser(s) shall not have the right to assign this Lot Reservation Deposit Agreement or Purchaser (s)' rights to the Reservation Deposit without prior written consent of the Builder.

The Purchaser(s) has the right to, and shall, receive all homeowner association land use documents required under Florida law prior to executing a Purchase Agreement. If Purchaser(s) fails to execute and return to Builder the executed Purchase Agreement within three (3) days after receipt thereof, this Agreement shall terminate effective immediately. Builder shall thereafter issue a refund of the Reservation Deposit to the Purchaser(s) and neither Purchaser nor Builder shall have any further liability to the other under this agreement

As previously stated, prior to the execution of the Construction Purchase Agreement, the Purchaser shall have the unqualified right, upon his/her sole determination, not to purchase the unit, and upon written request by the Purchaser to the Builder, shall have all monies that have been deposited hereunder returned promptly to the Purchaser

Dated this 19 day of Dec 2014

PURCHASER(S)

[Signature]

[Signature]

Kenny Davis Contracting, LLC

[Signature]
Authorized Representative

7160 N.W 47th Place
Lauderhill, Florida 33319
954.449.3497

CREDIT APPROVAL/PREQUALIFICATION

Date 12/26/2014

PARAMOUNT RESIDENTIAL MORTGAGE GROUP, INC. is committed to providing outstanding service throughout the Home Loan Process to Real Estate Professionals and Borrowers alike. Our Team and Systems ensure that The Purchase Transaction Experience will be well communicated from start to finish.

This is to certify that as of 12/26/2014, John & Latoya James have/has been pre-approved for a secured residential real estate loan with the following parameters:

Borrower(s):	John & Latoya James	Occupancy Type:	Primary
Sales Price:	\$ 150,000.00	Term:	360
Loan Number:	325456989	Down Payment:	\$ 4,500.00
Loan Type:	<input checked="" type="checkbox"/> FHA <input type="checkbox"/> CalHFA-FHA	<input type="checkbox"/> CONV	<input type="checkbox"/> VA <input type="checkbox"/> Other

This credit approval is based upon an initial review and verification of information you provided on income, debts and credit. This opinion is non-transferable and non-negotiable and is subject to the pricing and other terms and conditions applicable to the loan type and amount that is finally approved.

The signing of the application form or any related documents in connection with the application for a loan does not constitute a commitment to grant a loan. In order to grant a loan, our underwriter will evaluate factors other than just the application, including employment status, employment history, credit status, credit history, information contained in the documents provided to us, and others matters relating to the condition and valuation of the real property. Further, the granting of a loan may be provided provisionally with conditions concerning payoff of certain other credit obligations.

Each loan application is reviewed on its own merits on a case-by-case basis. This credit approval is valid for 60 days from the date indicated above. If interest rates increase, thereby increasing the monthly payment amount, it is possible you may not qualify for the maximum purchase price and loan amount indicated above. This credit approval is not a guarantee of points, fees, or interest rate. Any adverse material changes to the information you provided may affect final loan approval, causing us to change or void this opinion without further notice.

Thank you, for the opportunity to assist with this transaction. We look forward to working with you on a speedy loan approval and successful close of escrow. Our current closing time is 21 business days from date of full RPA acceptance.

Paramount Residential Mortgage Group, Inc.

NMLS# 75243

Michelle Davis

Mortgage Loan Originator

NMLS# 374283

Phone: (954) 445-4768

Fax: (951) 547-6151

Email Address: mdavis@prmg.net

Making the American Dream of Homeownership Possible... Everyday!



Note: This is not a loan commitment, guarantee of any financial benefit, or a guarantee of any kind. Loan approval and rate are dependent on borrower credit, collateral, and financial history; and loan programs available at time of preparation. Interest rate and loan terms are subject to change without notice. This is an estimate, actual costs may vary. © 2011 Paramount Residential Mortgage Group, Inc. All Rights Reserved.

Revised 12/6/12

