



Commercial and Multi-Family Reinvestment Incentive Program
Program Description

INTRODUCTION:

In an effort to assist in the reinvestment and revitalization of deteriorated commercial plazas and multi-family rental properties, the City of Sunrise is establishing a Commercial and Multi-family Reinvestment Incentive Program. The City of Sunrise can play a major role, in conjunction with the private sector, to help revitalize aging multi-family rental facilities and vacant commercial shopping centers by offering a variety of incentives to existing owners of these properties, while attracting new investors willing to explore redevelopment in the City. This program provides significant permit fee reimbursements for reinvestment along with lien amnesty incentives. The program focuses on small shopping centers with buildings less than 250,000 square feet and multi-family residential rental properties with less than 150 units. By providing incentives for the reinvestment in these properties, the program will help reduce blighted areas, increase property values, grow businesses, and ultimately increase the quality of life for Sunrise residents. A summary of each program category is provided below.

CATEGORY I: COMMERCIAL PROPERTIES

ELIGIBILITY:

In order to be eligible for an incentive award for Commercial Properties under this Program, Applicants must meet the following requirements:

❑ **Type of Property**

Only shopping centers as defined by Section 16-277 of the Land Development Code with less than 250,000 square feet shall be eligible for the program.

❑ **Certifications**

The Applicant must provide a valid City of Sunrise Business Tax Receipt and all Broward County Property taxes shall be paid up to date.

❑ **Vacancy Rates**

The Applicant must demonstrate that the shopping center has a minimum vacancy rate of thirty (30%) percent at the time of application. The Applicant shall be required to complete the Vacancy Rate Certification Form as part of the program application.

❑ **Investment**

The applicant shall provide a minimum of \$10,000 investment into the shopping center. Any work required to obtain a permit from the Community Development Department will be considered an eligible investment. Building and Code violation improvements are eligible, provided that the improvement requires a permit from the Community Development Department.

Michael J. Ryan, Mayor
Joseph A. Scuotto, Deputy Mayor; Commissioners Sheila D. Alu, Donald K. Rosen, and Larry Sofield

INCENTIVE AWARD:

❑ 50 Percent Permit Fee Reimbursement

For an eligible minimum investment of \$10,000 into the Shopping Center, the Applicant will be eligible to receive a reimbursement equivalent to fifty (50%) percent of City Permit Fees¹. The Applicant will be eligible to receive reimbursement once the associated permit has been successfully finalized. Any expired permit shall not be eligible for reimbursement.

❑ 75 Percent Permit Fee Reimbursement

For an eligible investment of \$50,000 or more into the Shopping Center, the Applicant will be eligible to receive a reimbursement equivalent to seventy-five (75%) percent of City Permit Fees. The Applicant will be eligible to receive reimbursement once the associated permit has been successfully finalized. Any expired permit shall not be eligible for reimbursement.

❑ Lien Amnesty

Code enforcement and building code liens (“Liens”²) on the subject property may be eligible for lien reductions or cancellation based on the Applicant’s reinvestment into the property.

Applicants approved by the City must bring the outstanding Lien violations into compliance within six (6) months from the date of application approval. Upon Applicant’s written request, the City Manager may authorize a six (6) month extension for compliance of the associated Lien violation.

For each Lien violation that is complied within the approved timeframe, the Applicant will pay a reduced amount of fifteen (15%) percent of the value of the Lien, together with the cost per Lien of lien preparation and recording.

An Applicant who applied for the Program not more than one (1) year from acquiring the property and who achieves compliance of the Lien violations within the above timeframe shall be eligible to receive forgiveness of the remaining 15 percent over a three year period provided that the shopping center remains under the same ownership as of the date of application and the property does not receive an Order of Violation from the Special Magistrate for repeat code enforcement or building code violations over the three year period. The fifteen (15%) percent will be forgiven at the rate of one-third (1/3) of the value of the reduced Lien amount each year (following the anniversary of the initial compliance).

An Applicant who applied for the Program more than one (1) year after acquiring the property, who achieves compliance of the Lien violations within the above timeframe and whose minimum \$10,000 investment in the property is for projects that require permits from the Community Development Department but are not associated with any Lien violations, shall be eligible to receive forgiveness of the remaining fifteen (15%) percent over a three (3) year period provided that the shopping center remains under the same ownership as of the date of application and the property does not receive an Order of Violation from the Special Magistrate for repeat code enforcement or building code violations over the three (3) year period. The fifteen (15%) percent will be forgiven at the rate of one-third (1/3) of the value of the reduced Lien amount each year (following the anniversary of the initial compliance).

¹ “City Permit Fees” mean fees established by the City of Sunrise’s Community Development Department and do not include any fees collected by the City of Sunrise for the utility system, State of Florida, Broward County or any other entity.

² “Liens” relating to Unsafe Structures Board, Property Maintenance Liens and/or Municipality Claims of Lien for Water, Sewer and/or Gas Service Charges are not eligible for this Program.

REQUIREMENTS:

Applicants will be required to provide any documentation the City may request to determine that all eligibility criteria for assistance are met. Failure to provide any requested information may result in a delay or determination of ineligibility.

APPLICATION PROCESS:

Shopping center owners may submit an application and certifications prior to completion of proposed improvements. Applications must be received or postmarked by January 1, 2015, unless the City extends the application period. Once the City determines the application is complete and in accordance with the Program requirements, the City will provide a contingent approval of the application for future reimbursement, subject to submittal and acceptance of the following documentation:

- Copies of receipts and/or contracts for associated improvements
- Proof of all applicable permits and associated inspections
- Any other documentation that the City determines necessary for eligibility of the Program requirements

All documentation shall be submitted within six months from the completion of successful final inspection for the associated eligible permit. Any expired permit shall be ineligible for reimbursement under the Program. The City's commitment to provide the financial incentive is limited by the availability of budgeted funds. Program payments will be processed based on the date on which the City receives a properly and fully completed application.

CATEGORY II: MULTI-FAMILY RESIDENTIAL RENTAL PROPERTIES

ELIGIBILITY:

In order to be eligible for an incentive award for multi-family residential rental properties under this Program, Applicants must meet the following requirements:

☐ Type of Property

Only multi-family rental properties, under the same ownership with less than 150 rental units shall be eligible for the program.

☐ Affordable Housing Criteria

The Applicant shall demonstrate that the existing income requirements and rental rates are within the 2013 income and rental limits for the eighty (80%) percent category of the Florida Housing Finance Corporation State Housing Initiatives Program. The Applicant shall submit a Rental Rate Certification Form for compliance with these requirements.

☐ Certifications

The Applicant must provide a valid City of Sunrise Business Tax Receipt and all Broward County Property taxes shall be paid up to date.

☐ Investment

The Applicant shall provide a minimum of \$10,000 investment into the multi-family residential rental property. Any work required to obtain a permit from the Community Development Department will be considered an eligible investment. Building and Code violation improvements are eligible, provided that the improvement requires a permit from the Community Development Department.

INCENTIVE AWARD:

❑ 50 Percent Permit Fee Reimbursement

For an eligible minimum investment of \$10,000 into the Multi-Family Residential Rental Property, the Applicant will be eligible to receive a reimbursement equivalent to fifty (50%) percent of City Permit Fees. The Applicant will be eligible to receive reimbursement once the associated permit has been successfully finalized. Any expired permit shall not be eligible for reimbursement.

❑ 75 Percent Permit Fee Reimbursement

For an eligible investment of \$50,000 or more into the Multi-Family Residential Rental Property, the Applicant will be eligible to receive a reimbursement equivalent to seventy-five (75%) percent of City Permit Fees. The Applicant will be eligible to receive reimbursement once the associated permit has been successfully finalized. Any expired permit shall not be eligible for reimbursement.

❑ Lien Amnesty

Code enforcement and building code liens (“Liens”) on the subject property may be eligible for lien reductions or cancellation based on the Applicant’s reinvestment into the property. Applicants approved by the City must bring the outstanding Lien violations into compliance within six (6) months from the date of application approval. Upon Applicant’s written request, the City Manager may authorize a six (6) month extension for compliance of the associated Lien violation. For each Lien violation that is complied within the approved timeframe, the Applicant will pay a reduced amount of fifteen (15%) percent of the value of the Lien together with the cost per Lien of lien preparation and recording.

An Applicant who applied for the Program not more than one (1) year from acquiring the property and who achieves compliance of the Lien violations within the above timeframe shall be eligible to receive forgiveness of the remaining 15 percent over a three year period provided that the property remains under the same ownership as of the date of application and the property does not receive an Order of Violation from the Special Magistrate for repeat code enforcement or building code violations over the three year period. The fifteen (15%) percent will be forgiven at the rate of one-third (1/3) of the value of the reduced Lien amount each year (following the anniversary of the initial compliance).

An Applicant who applied for the Program more than one (1) year after acquiring the property, who achieves compliance of the Lien violations within the above timeframe and whose minimum \$10,000 investment in the property is for projects that require permits from the Community Development Department but are not associated with any Lien violations, shall be eligible to receive forgiveness of the remaining fifteen (15%) percent over a three (3) year period provided that the property remains under the same ownership as of the date of application and the property does not receive an Order of Violation from the Special Magistrate for repeat code enforcement or building code violations over the three (3) year period. The fifteen (15%) percent will be forgiven at the rate of one-third (1/3) of the value of the reduced Lien amount each year (following the anniversary of the initial compliance).

REQUIREMENTS:

Applicants will be required to provide any documentation the City may request to determine that all eligibility criteria for assistance are met. Failure to provide any requested information may result in a delay or determination of ineligibility.

APPLICATION PROCESS:

Multi-Family Residential Rental property owners may submit an application and certifications prior to completion of proposed improvements. Applications must be received or postmarked by January 1, 2015, unless the City extends the application period. Once the City determines the application is complete and in accordance the Program requirements, the City will provide a contingent approval of the application for future reimbursement subject to submittal and acceptance of the following documentation:

- Copies of receipts and/or contracts for associated improvements
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- Any other documentation that the City determines necessary for eligibility of the Program requirements

All documentation shall be submitted within six months from the completion of successful final inspection for the associated eligible permit. Any expired permit shall be ineligible for reimbursement under the Program. The City’s commitment to provide the financial incentive is limited by the availability of budgeted funds. Program payments will be processed based on the date on which the City receives a properly and fully completed application.

LIEN AMNESTY EXAMPLE:

For Liens with a total value of \$500,000, an Applicant who meets all the requirements for Lien forgiveness would have the Liens reduced to \$75,000. The \$75,000 would be written off by one-third for full year of compliance as follows:

<u>Year</u>	<u>Full Compliance for Entire Year</u>	<u>Violation Within the Year</u>
1	\$25,000 written off; balance reduced to \$50,000.	No write-off occurs. Lien Amnesty reduction no longer applies. Lien remains at \$75,000.
2	\$25,000 written off; balance reduced to \$25,000.	No write-off occurs. Lien Amnesty reduction no longer applies. Lien remains at \$50,000.
3	\$25,000 written off; balance reduced to \$0. Releases recorded upon payment of lien satisfaction and recording fees.	No write-off occurs. Lien Amnesty reduction no longer applies. Lien remains at \$25,000.

AUTHORITY:

The Community Development Director or designee is authorized to develop, implement and interpret policies, including eligibility, related to this Program. If requested by the applicant in writing, the City Manager has the authority to reconsider any application that has been deemed not eligible.