



CRA Board Meeting Minutes
Tuesday, July 28, 2020 – 4:00 p.m.
Virtual via Webex
Delray Beach, FL 33444

STAFF PRESENT:

Renee Jadusingh	Christine Tibbs	Tara Toto
Ivan Cabrera	Danielle Arfin	Heather Hinkle
Alexina Jeannite	Lori Hayward	

OTHERS PRESENT:

DJ Doody

1. Call to Order

Chair Petrolia called the meeting to order at 4:00 p.m.

2. Roll Call

Present: Chair Shelly Petrolia, Vice Chair Shirley Johnson, Deputy Vice Chair Angie Gray, Commissioner Ryan Boylston, Commissioner Kelcey Cordell Brooks, Commissioner Juli Casale, and Commissioner Adam Frankel.

3. Approval of Agenda

Motion by Commissioner Boylston, seconded by Commissioner Casale, to approve the agenda as printed. In a roll call vote, the **motion** passed (7-0).

4. Approval of Minutes

a. June 18, 2020 – Workshop Meeting Minutes

Motion by Commissioner Boylston, seconded by Commissioner Frankel, to approve the June 18, 2020 Workshop Meeting Minutes as printed. In a roll call vote, the **motion** passed unanimously (7-0).

b. June 23, 2020 – Workshop Meeting Minutes

Motion by Vice Chair Johnson, seconded by Commissioner Boylston, to approve the June 23, 2020 Workshop Meeting Minutes as printed. In a roll call vote, the **motion** passed unanimously (7-0).

c. June 23, 2020 – Regular Meeting Minutes

Motion by Commissioner Boylston, seconded by Commissioner Casale, to approve the June 23, 2020 Regular Meeting Minutes as printed. In a roll call vote, the **motion** passed unanimously (7-0).

5. Public Comments on Agenda and Non-Agenda Items

CRA Executive Coordinator Danielle Arfin played recorded public comments.

Yvonne Odom, 305 Blossom Blvd, stated the takeover of the CRA Board by the City Commission was evidence of systemic racism. She said homeowners not owning the land their homes were on was counterproductive to wealth building and asked the Commissioners to do their own research.

Carol Howard, 1026 SW 7th Ave, asked the CRA to assist nonprofits which contribute to the stability of the community.

6. Proclamations

a. A PROCLAMATION OF THE DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY IN HONOR OF CAROL WESTMORELAND, EXECUTIVE DIRECTOR OF THE FLORIDA REDEVELOPMENT ASSOCIATION

CRA Executive Director Renee Jadusingh provided a brief background on Carol Westmoreland, who was a part of the Florida League of Cities for over 40 years. She read the proclamation for the record, honoring Carol Westmoreland upon her retirement and declaring October 15, 2020 to be “Carol Westmoreland Day.”

Ms. Jadusingh stated the proclamation would be signed and presented to Ms. Westmoreland at a meeting later in the year.

7. Consent Agenda

a. CRA Financial Report – May 2020

- b. CRA Monthly Progress Report – July 2020**
- c. First Amendment to Commercial Lease Agreement – 135 NW 5th Avenue, Unit C5 (Upper Cutz)**
- d. COVID-19 Rent Assistance Program – Lease Amendments for Commercial and Residential Tenants**
- e. First Amendment to Purchase and Sale of Real Property Agreement with Delray Beach Community Land Trust, Inc. – Corey Isle Workforce Housing Development**
- f. Revised Purchase and Sale Agreement – Delray Beach Community Land Trust – 102 NW 14th Avenue and 1311 NW 14th Avenue**
- g. Interlocal Agreement – Office of Economic Development, Director and Manager Positions**
- h. Subordination Agreement – 137 SW 14th Avenue**
- i. Careersource Lease for CRA-Owned Property at 186 NW 5th Avenue**

Motion by Commissioner Frankel, seconded by Commissioner Boylston, to approve the Consent Agenda as printed. In a roll call vote, the **motion** passed unanimously (7-0).

8. Old Business

- a. Follow-Up Discussion – Lot 11 of Sunday and Tenbrook Addition to Delray, Florida – Comments on Use of Property by the City of Delray Beach**

Ms. Jadusingh stated Lot 11 was discussed at the June meeting and Commissioners requested additional information. She explained the property was transferred to the City many years ago for a drainage project that never happened. The property is now the subject of a purchase and sale agreement between the City and a third party, and the CRA is being given the opportunity to comment per the original agreement.

Ms. Jadusingh stated the proposed buyer is the adjacent homeowner, who is looking to purchase lot 10, which is also owned by the City, along with lot 11. She explained the lots are not buildable and will be used to expand the homeowner's back yard.

Chair Petrolia asked for clarification regarding the price.

Paul Snitkin, the City's real estate agent, responded the purchase price of \$45,000 was for both lots. He stated the purchasers want to expand their back yard and clean up the area to make it safe for their children.

Vice Chair Johnson stated she wanted to address how the CRA and the City interact in these types of situations. She questioned the CRA only being able to comment, not prevent the City from selling.

Ms. Jadusingh noted the issue predated the entire Board and staff except Board Attorney DJ Doody. She stated if the issue comes up again a different arrangement could be negotiated at that time.

Mr. Doody provided additional background, stating the CRA at the time saw it as donating the property for public use.

Motion by Commissioner Boylston, seconded by Commissioner Frankel, to approve the use of property by the City without comment. In a roll call vote, the **motion** passed (6-1). Deputy Vice Chair Gray voted no.

b. Carver Square Construction Strategy Determination

CRA Redevelopment Manager Tara Toto provided a progress update on the Carver Square Workforce Housing project. She briefly explained the history of the project, which was in four (4) phases pursuant to acquisition of the property in 2005. She stated the first three (3) phases were completed and staff was requesting a construction strategy determination before moving forward with construction of the new affordable and workforce housing units.

Ms. Toto shared photos of the existing vacant property, which consists of 20 single-family lots, and shared language related to revitalization and stabilization of the neighborhood in the CRA Redevelopment Plan and SW Neighborhood Plan.

Continuing, Ms. Toto stated the CRA had been significantly involved in each step of the design planning and outlined the four (4) models selected for the project. She explained the cost of construction falls within the affordable housing rate per square foot, noting the estimations are calculated based on estimates and Brooks & Scarpa is confident project construction costs can meet the goal of \$125-\$155 per square foot. She stated if all houses are built at once, costs could be further reduced.

Ms. Toto outlined options presented at the June 23 CRA meeting, and factors to consider with each option:

1. Contract with a nonprofit to construct and sell the homes
2. Contract with a construction engineering inspector and general contractor
3. Partner with for-profit developer to fulfill the Palm Beach County Department of Housing and Economic Sustainability under their Workforce Housing Program or the City of Delray Beach Workforce Housing Program

Ms. Toto stated the CRA Board directed staff to conduct information gathering regarding option three (3). She explained they reached out to developers and contractors and received varying levels of interest including, but not limited to:

- Purchasing the lots for a nominal amount
- Acting as the General Contract (CRA design)
- Building some single-family homes now and some at a later undetermined date (developer designs)

Continuing, Ms. Toto shared details of the Delray Beach SW Neighborhood Improvement Project, which the City is managing and the CRA is funding with an investment of \$6,236,201. She noted City staff has worked to include Carver Square in the design and construction, including driveway location and curb cuts, as well as parking.

Ms. Toto outlined staff minimum recommendations for Carver Square no matter which options was selected, including:

- Homes developed within 18-24 months and are a for sale product (selling the land and house)
- Homes are restricted, developed, and sold in accordance with:
 - Palm Beach County Workforce Housing Program or City of Delray Beach Workforce Housing Program
 - Intent to increase the workforce housing stock within the CRA District
- CRA hires a Construction Engineering Inspector to oversee the development
- Require that a certain number of local subcontractors be hired
- CRA is involved in the income qualification and selling process
- If the intent is for a third-party developer to build the homes:
 - Request that the CRA designs are considered for potential development
 - Developer to process and pay for all permits and impact fees

Vice Chair Johnson asked that the Board discuss eliminating option three (3) first and going from there.

Commissioner Boylston stated he was in favor of option three (3).

Chair Petrolia asked if the staff recommendations were attainable for a for-profit developer.

Christine Tibbs stated staff put out a request for information (RFI) and five (5) responses were received. She outlined the content of the responses.

The Commissioners and staff discussed the responses and a letter of interest which was emailed to the Board members.

Vice Chair Johnson stated Pulte Homes had an immediate need but would have cookie cutter homes and were not interested in the homes designed for the CRA. She said the Board had put a great deal of time into a community that was unique, and questioned the numbers provided. Vice Chair Johnson asserted that if they continue with what they have, they will have a quality product with the stamp of Delray Beach on it. She said she believed the CRA was being used by the developers.

Commissioner Boylston stated there would be plenty of architectural options to choose from out of Pulte Homes' predesigned homes. He asserted their designs are more in line with what the Board liked on Corey Isle plus the price point was lower. He noted an RFP would garner additional interest and said he was very much in favor of option three (3).

Ms. Jadusingh added that Brooks & Scarpa had been asked to look for ways to bring the costs down. She noted the estimates would reduce significantly by building all of the homes at the same time. Ms. Jadusingh pointed the Board to the minimum staff recommendations and asked that they remain a part of the discussion.

Deputy Vice Chair Gray agreed with Vice Chair Johnson, stating the project had come a long way and they should continue with what they had been working on. She noted some of the money would be recouped at sale of the units.

Continuing, Deputy Vice Chair Gray questioned whether subsidies would be required by these developers and stated Delray Beach has its own guidelines, so she didn't think they should follow the Palm Beach County guidelines when their own were better. She stated the CRA was ready to go now and a developer would be slower, and said she was not interested in a developer "banking" CRA properties.

Vice Chair Johnson asked if it was possible that the CRA would recapture their money from the home sales, and why they were following the Palm Beach County workforce housing guidelines when theirs were superior. She expressed concern the CRA was being an "easy mark."

Ms. Jadusingh stated if a developer took over the project the CRA would sell them the land to build the homes on to satisfy a current City or County requirement or build them to bank against a future requirement. She stated the designs of both options are in line, it just depends on the direction the Board wants to take and whether they want to spend the money up front.

Commissioner Frankel agreed with Commissioner Boylston, stating it was a sound way to get the homes built nicely and quickly. He said the developers Vice Chair Johnson called cookie cutter homes are doing a pretty good job throughout the City and County.

Commissioner Frankel said unless staff had a strong objection, he would choose option three (3).

Commissioner Casale asked if staff had a sense of any of the options having disadvantages in time or money for the CRA. She stated option three (3) seemed the most expeditious.

Ms. Jadusingh clarified that options one (1) and two (2) could be considered together. She said as far as timing, the CRA plans are already in review by the City and incorporated into the City's infrastructure project. She noted the project is close to being ready to submit for permits.

Commissioner Boylston referenced the letter received from Polte Homes guaranteed completion in 12 months. He said he didn't see the CRA being able to do the project faster.

Continuing, Commissioner Boylston addressed Vice Chair Johnson's comment about the developers using the CRA. He stated he saw it in the reverse – the County had put together an aggressive program requiring large builders to build affordable housing in the County, and in this case the CRA gets the benefit of the affordable housing even though the market rate housing was being built elsewhere in the County. He pointed out the pricing on the homes was better than the planned pricing from the CRA.

Commissioner Boylston stated he saw it as a win-win-win and hoped others would follow him in supporting option three (3).

Deputy Vice Chair Gray said she believed the project would take 24-36 months because of redesign and permitting.

Ms. Jadusingh clarified the offer was 12 months from the issue of permits.

Vice Chair Johnson stated the CRA would be forced to choose from the developers' designs, noting they had already selected the type of homes they want in the area. She said she would like to see a quality project for once with the CRA stamp on it.

Chair Petrolia stated option three (3) would be a net loss to a developer, with the developer realizing a huge gain on a project outside the CRA and the CRA reaping the benefit. She asserted it would be the same with the other options, with the CRA realizing the net loss. Chair Petrolia stated the CRA has a limited number of resources and taking a loss on this project would mean some other project did not have funds.

Continuing, Chair Petrolia said she didn't disagree with the quality issue, but they could require it be monitored as part of the process. She stated she did not see the CRA spending the money on this project and would support option three (3) to seek out a partner in the process.

Chair Petrolia stated the banking of properties was not concerning to her and explained that it wasn't that the property would be undeveloped, just that it would be built as part of the 20 homes and banked against a future workforce housing requirement.

Vice Chair Johnson again said the CRA should be abiding by the City's workforce housing requirements and asked for Commissioner Brooks' opinion.

Commissioner Brooks stated the project was much needed and said he was listening to determine the best option.

Ms. Jadusingh stated staff could continue with its designs as a backup plan, and also to offer the developer the option to follow those plans.

The Commissioners and staff discussed the option of a developer using the plans developed by the CRA and the requirement that the homes remain affordable.

Commissioner Boylston clarified that the developers would work with the Community Land Trust (CLT) or similar community housing partner to put the houses up for sale, protect them from being flipped, and screen for income eligibility.

Deputy Vice Chair Gray stated she would like to make sure the CLT was a required partner so the CRA was getting what it needed.

Ms. Jadusingh stated restrictions would be in place, and the homes would not be able to be converted to market rate for many years. She noted the reversion back to the CRA could be a term of the agreement if the Board preferred.

Vice Chair Johnson asked how the CRA had gotten to this point, considering selling the land to a developer rather than using their own designs and their own nonprofit partner.

Commissioner Boylston outlined the benefits of the partnership, including:

- The homes would be completed in a short time (3-6 months for permitting and 12 months for building)
- The CRA does not have to put up the \$6 million in building costs
- The homes would be sold for less money than the CRA can sell them for

Commissioner Boylston outlined the downside of the partnership, which he said would be that the developers will build their own designs, saving money by building designs they have built before and in-place contracts.

Chair Petrolia stated she was never in love with the designs, and she welcomed the change. She said the issue for her was the CRA being out of pocket millions of dollars with options one (1) and two (2), while option three (3) gave the CRA funds for other projects.

Continuing, Chair Petrolia asserted it was possible they wouldn't be comfortable with the proposals that came in, but she thought they should open it up to see what developers would present. She noted they should continue with the current process, so time was not lost if that were the case, as previously agreed.

Vice Chair Johnson said she did not want to stop the CRA's own momentum until they saw what the developers had to offer.

Commissioner Frankel asserted it didn't matter what the Board thought about the designs, it mattered what the 20 families who were going to buy them thought.

Deputy Vice Chair Gray stated she would be willing to look at option three (3) if the CLT were added in as a required community partner.

Commissioner Boylston asked for legal counsel on whether adding that restriction was permissible without a separate RFP.

Board Attorney DJ Doody stated the selection of the partner would require an RFP.

Ms. Jadusingh stated the County program does allow for other nonprofit partners, but it would be a separate conversation. She noted that option three (3) would mean the CRA sent out an RFP for a developer that meets the needs of the project.

Motion by Commissioner Frankel, seconded by Commissioner Boylston, to approve option three (3). In a roll call vote, the **motion** passed (5-2). Vice Chair Johnson and Deputy Vice Chair Gray voted no.

In response to a question from Vice Chair Johnson, Chair Petrolia clarified staff would continue with the project in-house while starting the RFP process.

c. Wayfinding Signage Design Project – Final Sign Array, Map of Vehicular Sign Locations and Sign Content, and Gateway Sign Design

Ms. Jadusingh provided a brief update on the wayfinding signage design project. She stated the project is ready for the construction document process and asked for input from the Board before continuing.

Ivan Cabrera, CRA Redevelopment Manager, shared PowerPoint slides showing signage from 15-20 years ago and the current vehicular, parking identification, and pedestrian/interactive signs. He noted feedback on colors was provided by the Board at a meeting earlier in the year.

Mr. Cabrera explained the lettering measurements required under current regulation and showed renderings to illustrate the ways in which the new signs would be more legible from the street. He continued by showing options for the gateway signage and asking for Commissioner input.

Chair Petrolia outlined reasons she preferred the black poles, and stated she liked option one (1) for the gateway sign. She asked that placement is careful of sidewalks and shared additional comments asking for a more substantial entry sign. Chair Petrolia suggested staff speak to the City to find out if there was interest to add signs in key areas outside the CRA district.

Vice Chair Johnson stated she agreed with most of Chair Petrolia's comments. She asked that each of the old signs be removed with the addition of the new signs.

The Board and staff discussed placement of the signs within the neighborhoods.

Commissioner Boylston agreed that option one (1) tied in with the design of the other signs best and said he thought it was a good idea to have conversation with the City about obvious places to put signs outside the CRA district.

Ms. Jadusingh stated she would move forward with the consensus on options. She noted if the City wanted to use the same design, the signs could be replicated in other areas.

The Board and staff discussed area park signage.

9. New Business

a. Delray Beach Chamber of Commerce Loan Forbearance Request

Ms. Jadusingh provided a brief background on the request, explaining the CRA entered an agreement with the Delray Beach Chamber of Commerce on February 22, 2013 to build out the Chamber office space in the amount of \$459,675. She stated at that time, the Chamber agreed to pay \$250,000 over a 15-year period at four (4) percent interest. Due to loss of revenue due to COVID-19, the Chamber is requesting forbearance of the loan from June 2020 to December 2021. Ms. Jadusingh noted on time payments had been made up to the point of the request.

Commissioner Boylston stated he would like to hear staff thoughts on the issue and asked if any other adjustment periods were considered.

Ms. Jadusingh explained she had discussed the request, and significant revenue generators are not happening for the Chamber of Commerce, so they are asking for assistance while they get back on their feet. She noted shorter time periods were not a part of the discussions.

In response to a question from Commissioner Boylston, Ms. Jadusingh clarified the payments were not included in the proposed FY21 budget. She stated the amount was about \$17,000 and would be added to the end of the loan.

Ms. Jadusingh noted there was a COVID-19 forgiveness line item that was large enough to absorb the request.

Commissioner Boylston stated he would like to hear from Stephanie Immelman, Delray Beach Chamber CEO, about what the Chamber of Commerce office was doing to assist area businesses which are in great need due to COVID-19.

Ms. Immelman explained the Chamber's goal was to be a trusted voice to businesses in the community through the pandemic. She outlined ways they work to get information out to businesses, not just members, regarding resources and advocacy.

Continuing, Ms. Immelman stated a weekly lunch and learn seminar was added to existing programming and has been well received.

Commissioner Boylston asked if there were any thoughts on leveraging the Chamber's space for businesses which had been displaced.

Ms. Immelman said that there was, noting she looks forward to opening the office to the public. She stated plans are in place to use the back room for coworking space in addition to use of the space by the Small Business Development Center (SBDC).

Vice Chair Johnson asked if the Chamber of Commerce qualified for the Payroll Protection Program (PPP).

Ms. Immelman stated they are not eligible. She noted they had been lobbying for eligibility in the next round of funding.

Chair Petrolia emphasized the dollars were not being forgone, simply moved to later. She stated she was in favor of lending support.

Motion by Deputy Vice Chair Gray, seconded by Commissioner Boylston, to approve the forbearance request. In a roll call vote, the **motion** passed unanimously (7-0).

b. Discussion – CRA Legal Services

Ms. Jadusingh stated as previously discussed, she recommends bringing full-time legal services on-site for the CRA. She said she believed centralizing the services would be a more efficient approach.

Continuing, Ms. Jadusingh explained the CRA has an open contract with Goren, Cherof, Doody, & Ezrol, PA for outside counsel and that firm has significant knowledge of the CRA. She stated the CRA is large and has multiple projects going, so it would not be uncommon to have multiple attorneys working on their behalf.

Chair Petrolia asked for a breakdown of costs for legal counsel.

Ms. Jadusingh stated the proposal was for \$85,000 to \$125,000 for in-house counsel.

Lori Hayward, Finance and Operations Director, said she would have to research the amount currently spent on outside counsel because it was separated over each category of the budget. She stated she would research the total number and email it to Board members.

In response to a question from Chair Petrolia, Ms. Hayward said she believed in-house counsel would represent a cost savings.

Ms. Jadusingh stated it would be nice to have someone in the office, working lockstep with the CRA staff. She noted that person would make the decisions about when outside counsel was necessary.

Commissioner Boylston agreed in-house counsel would be more efficient. He noted he would also support Ms. Jadusingh if she wanted to explore working with the City Attorney's office.

Ms. Jadusingh stated she had spoken with City Attorney Lynn Gelin, but because of the volume of work the CRA has, that office would also have to make a hire. She said the addition of that office would add a layer to work through rather than simplifying efforts.

Discussion ensued in support of simplifying the CRA's need for legal counsel.

Motion by Deputy Vice Chair Gray, seconded by Commissioner Boylston, to approve the hiring of in-house legal counsel. In a roll call vote, the **motion** passed unanimously (7-0).

10. Other Business

a. Comments by Executive Director

Ms. Jadusingh provided a brief update on the SW Neighborhood Improvement Project, including aerial photos. She stated all alleyways in the project are now cleared.

b. Comments by Board Attorney

DJ Doody, Board Attorney, expressed his satisfaction with having had the opportunity to work with the CRA over the years. He stated he supported Ms. Jadusingh's assessment that in-house counsel was needed, as the CRA had evolved. He said he believed it would be to the benefit of the CRA and he looked forward to working with them on a case-by-case basis.

Chair Petrolia thanked Mr. Doody for his many years of service.

c. Comments by Commissioners

Vice Chair Johnson asked the Commissioners to distribute information regarding the 2020 Census and to push it wherever they can.

11. Adjournment

There being no further discussion, the meeting was adjourned at 6:06 p.m.

Renee Jadusingh, Executive Director

Shirley Ervin Johnson, Board Chair