



# **DELRAY BEACH COMMUNITY REDEVELOPMENT AGENCY**

**Workshop Meeting**  
**Tuesday, January 24, 2023**  
**at 2:00 PM**  
**Arts Warehouse**





**Item 5A.**  
**A.-G.U.I.D.E.**  
**& Funding**  
**Programs**

# OVERVIEW OF CURRENT FUNDING PROGRAMS

## BUSINESS FUNDING RESOURCES

- Project Consultancy & Design Services Program
- Site Development Assistance Program
- Paint-Up & Signage Program
- Rent Subsidy Program
- Historic Façade Improvement Program

## DEVELOPER FUNDING RESOURCES

- Development Infrastructure Assistance Program
- Land Value Investment Program
- Job Creation Bonus Program





# PROPOSED MODIFICATIONS TO FUNDING PROGRAMS

## BUSINESS FUNDING RESOURCES

- Project Consultancy & Design Services Program
  - *Only for new and existing tenants in CRA-owned properties*
- Site Development Assistance Program
  - *Only for new and existing tenants in CRA-owned properties*
- Paint-Up & Signage Program
  - *No major changes*
- Rent Subsidy Program
  - *Close/eliminate indefinitely*
- Historic Façade Improvement Program
  - *Pause temporarily*

## DEVELOPER FUNDING RESOURCES

*(IN REVIEW FOR MODIFICATIONS AT A LATER DATE)*

- Development Infrastructure Assistance Program
- Land Value Investment Program
- Job Creation Bonus Program



# Project Consultancy & Design Services Program

## OVERVIEW OF CURRENT PROGRAM

Sub-areas #3, #4, #7, #8

Up to \$15K award amount

Purpose is to help business and property owners determine the options for proposed improvements to a commercial property through consultant and design services.

Eligibility:

- Tenants, prospective tenants, property owners
- Existing mixed-use or commercial building structures (excluding multi-family residential)
- New construction projects not eligible (must involve an existing structure)



# Project Consultancy & Design Services Program

## 2023 PROPOSED MODIFICATIONS & BOARD FEEDBACK

- Only open to new and existing tenants in **CRA-owned properties**
- Add **stipulations for re-applying**
  - Cannot reapply for 10-year period
  - Expanding businesses can reapply if expanding to additional location (new businesses cannot have same officers/partners/directors/members as existing grantee business)
- Add clarification regarding **cost of permit application** –program does not pay for permit fees
- Add **retainage/withhold amount** of 20% and clarify that deliverables are required before final payment is disbursed
- Remove language about CRA designated architect and mixed-use properties with residential component from eligibility

# Site Development Assistance Program

## OVERVIEW OF CURRENT PROGRAM

Sub-areas: #1, #2 (restricted to art galleries, art studios and office users); #3, #4, #5, #6, #7, #8

- Up to \$75K in sub-areas #3, #4, #7, #8 (75% *reimbursement*)
- Up to \$50K in sub-areas #1, #2, #5, #6 (40% *reimbursement*)

Purpose is to help with the cost of interior and exterior improvement projects to commercial properties.

- Sub-areas #3, #4, #5, #6, #7, #8 limited to general retail, office, restaurant, medical, automotive, professional services and facilities, recreational and other commercial uses as allowed by the City of Delray Beach Land Development Regulations
- Sub-areas #1, #2 restricted solely to art galleries, art studios, and office users.



# Site Development Assistance Program

## OVERVIEW OF CURRENT PROGRAM

### Eligible Expenses:

- Landscaping and Irrigation
- Exterior alterations and repairs, stucco, painting and other general façade improvements / Exterior windows, exterior doors and storefront improvements
- Installation and improvement of parking, driveways, and sidewalks
- Interior and exterior lighting fixtures and related electrical work
- Exterior signage / awnings and canopy features
- HVAC repair or replacement
- Ceilings / flooring / interior doors and walls, including repair, replacement, demolition or reconfiguration
- Interior painting / interior mechanical/engineering/plumbing improvements
- Interior permanent fixtures, including but not limited to cabinetry, countertops, sinks, ceiling fans, toilets, and permanent displays
- Hood and fire suppression systems
- Design, permitting and engineering fees



# Site Development Assistance Program

- Only open to new and existing tenants in **CRA-owned properties** (eligibility subject to CRA lease for types of improvements)
- Add stipulations for **re-applying**
  - Cannot reapply for 10-year period
  - Expanding businesses can reapply if expanding to additional location (new businesses cannot have same officers/partners/directors/members as existing grantee business)
- Dual zoned properties not eligible
- For reimbursement level, clarify definition of “new” business (next slide)

# “NEW” Business

From Site Development Assistance Funding Guidelines, Funding & Award Limits section on pg. 2:

Funding is available for eligible projects in two tiers, and is calculated based on eligible project costs. Tier One funding is available in high-priority areas of the CRA District (CRA Sub-Areas #3, #4, #7 and #8). Tier Two funding is available in all other sub-areas of the CRA District (CRA Sub-Areas #1, #2, #5 and #6) with some restrictions.

**Tier One:** 75% of eligible project costs, up to a maximum award of \$75,000.

Available to new business only, eligible project costs may be reimbursed at a rate of 100% up to \$10,000, with remaining eligible costs reimbursed at 75%, with a total maximum award of \$75,000.

**Tier Two:** 40% of eligible project costs up to a maximum award of \$50,000.

Any single eligible expenditure included in the project budget which exceeds \$25,000 may be subject to a reduced reimbursement percentage rate as determined by the CRA Board.

- For reimbursement level, clarify definition of “new” business

**New** business is defined as any business operating for the first time and cannot be more than 2 years. A new business is a business that was not previously in operation at a different location or engaged in any business activity by any other name.

# Paint-Up & Signage Program

## OVERVIEW OF CURRENT PROGRAM

All sub-areas with restrictions in sub-areas #1 and #2

Up to \$5,000 (CRA pays 50%)

Established to encourage existing building owners or tenants to improve the exterior of their buildings through a new coat of paint. Later expanded to include signage.

Eligibility:

- Existing commercial and multi-family within the CRA District
- Structures located within CRA Sub-Areas #1 and #2 are restricted to art galleries, art studios, or office users operating within the structure.





# Paint-Up & Signage Program

## 2023 PROPOSED MODIFICATIONS & BOARD FEEDBACK

- Add to list of **required documentation** – proof of owner permission for improvement/renovation
- Clarify that **government approvals** are **also** required for signage projects (currently not clearly stated)
- Remove multi-family residential
- Add stipulations for **re-applying**
  - Cannot reapply for 10-year period
  - Expanding businesses can reapply if expanding to additional location (new businesses cannot have same officers/partners/directors/members as existing grantee business)

# Rent Subsidy Program

## OVERVIEW OF CURRENT PROGRAM

Sub-areas: #1, 2, 3, 4, 5, 6, 7, 8 (restrictions in sub-areas #1 and #2)

Up to one-third of business's monthly rent, or \$500/month (whichever is less), for a maximum total subsidy of \$6,000.

To assist start-up businesses during the critical first year of operation.

### Eligibility:

- New business venture
- Existing business relocating to Delray Beach from another city
- Existing business opening an additional location in Delray Beach
- Businesses must have been in operation for more than 6 months at the time of application
- Business must employ a minimum of two (2) full-time equivalent W-2 employees, as defined by the CRA, whose wages are reported to the state and federal government.
- Business must be properly licensed and approved by the City of Delray Beach



# Rent Subsidy Program

- Close/eliminate program



# Historic Façade Improvement Program

## OVERVIEW OF CURRENT PROGRAM

Sub-areas: #1, 2, 3, 4, 5, 6, 7, 8

Up to \$50K for any commercial business  
(Proof of historic designation required)

Purpose is to preserve historic structures within the CRA District. The CRA may purchase an easement over the facade of a historic structure for a portion of the cost of exterior improvements.

Eligibility: privately owned structures; nonprofit organizations; projects for public use



# Historic Façade Improvement Program

- Temporarily pause program

# Added Safeguard Options for Contracts

- Structure the grant similar to a loan where the officers/members/owners are personally liable (“Owner’s liability”). Owner’s liability is only for a portion of the entire grant.
- Owner’s liability is reduced by a % per year (i.e. Carver Square Relocation Plan – loan forgiveness over time)
- Grants for non-owner occupied spaces requires a % match (i.e. Historic Residential Rehabilitation Grant)
- Proof of financial stability requirement to reduce risk (i.e. – Profit & Loss Statement, Tax Returns, Financial Statements, etc.)



# For further consideration: Needs-based criteria

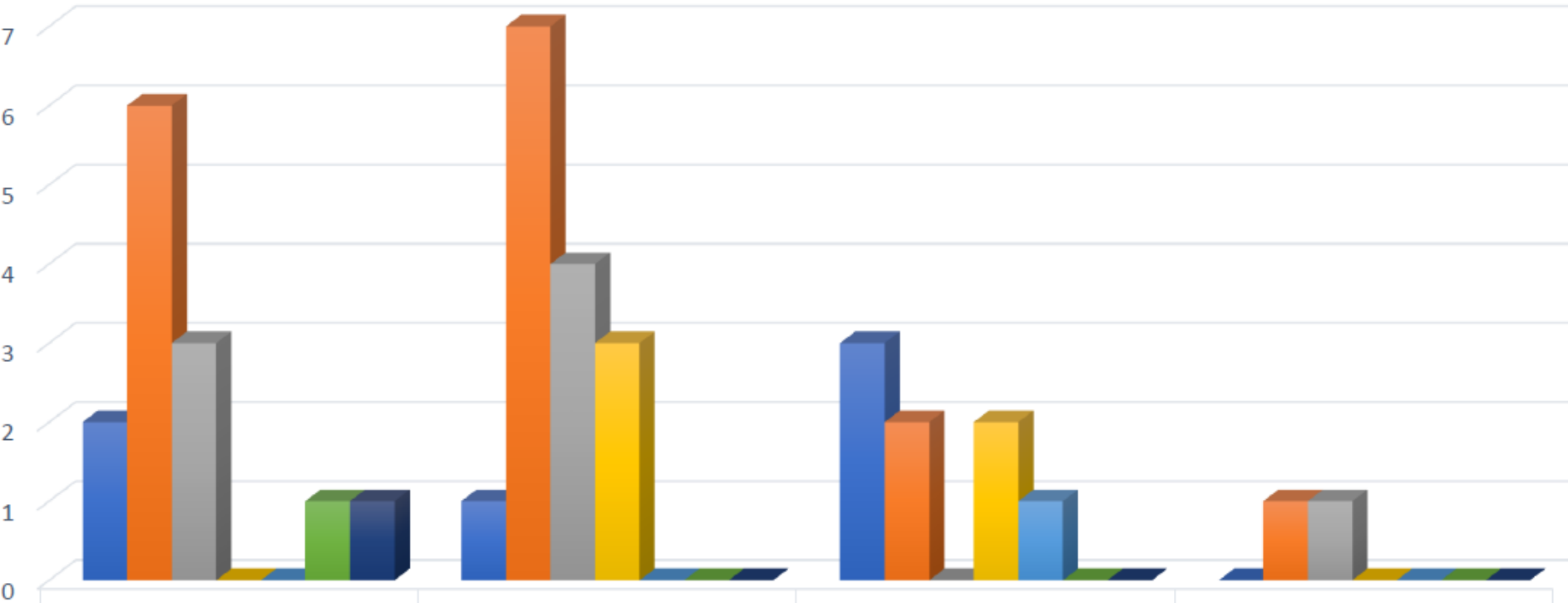
## Other business grant programs:

- PBC Cares For Business Grant
  - Based on total gross receipts or sales (does not exceed \$5M)
  - Documented by IRS Income Tax Returns (2 years' worth)
- Boynton Beach CRA
  - Uses credit score

## CRA equivalent:

- Add eligibility criteria:
  - Total gross receipts or sales **cannot exceed \$1M**
  - Documented by submission of IRS Income Tax Returns (2 years' worth)
- How does that impact startup businesses?

FUNDING ASSISTANCE AWARDS FROM 2019 TO 2022



Project Consultancy	2	1	3	0
Site Development Assistance	6	7	2	1
Paint-Up & Signage	3	4	0	1
Rent Subsidy	0	3	2	0
Historic Façade Improvement	0	0	1	0
Community Sponsorship2	1	0	0	0
Job Creation Bonus	1	0	0	0

TOTAL DOLLARS AWARDED

\$442,124.93

\$213,029.44

\$220,196.78

\$69,588

# RECAP OF FUNDING ASSISTANCE MODIFICATIONS

FUNDING PROGRAM	CRA PROPERTIES ONLY	DISTRICT-WIDE	STATUS
Project Consultancy & Design Services	✓		Accept changes and re-open
Site Development Assistance	✓		Accept changes and re-open
Paint-Up & Signage		✓	Accept changes and re-open
Rent Subsidy			Close/terminate
Historic Façade Improvement Grant			Temporarily pause



## **CRA PROPERTIES**

## **# OF UNITS**

186 NW 5<sup>th</sup> Avenue

1 unit

98 NW 5 Avenue

5 units + shared co-working space

95 SW 5<sup>th</sup> Avenue (2024)

4 units

West Settlers Building

1 unit





# **A.-G.U.I.D.E.**

Achieving Goals Using  
Impact Driven  
Evaluation

# BACKGROUND & FRAMEWORK

- Since 1997, CRA has provided funding to Delray-based non-profit organizations to assist with achieving *Overall Needs* identified in the Community Redevelopment Plan
  - Removal of Slum and Blight
  - Land Use
  - Economic Development (A-GUIDE)
  - Affordable Housing (A-GUIDE)
  - Downtown Housing
  - Infrastructure
  - Recreation and Cultural Facilities (A-GUIDE)
- Funding was to targeted nonprofits located in City/CRA-owned facilities and/or providing essential services to the City of Delray Beach
- A-G.U.I.D.E. established in 2011 to better evaluate and measure activities of nonprofit organizations receiving CRA funds in accordance with the CRA Redevelopment Plan

## Delray Beach Community Redevelopment Agency (CRA) Funding Framework

	1. Affordable Housing	2. Recreation & Cultural Facilities	3. Economic/Business Development
<i>CRA funds these kinds of activities</i>	<ul style="list-style-type: none"> <li>Support to implement affordable housing programs</li> </ul>	<ul style="list-style-type: none"> <li>Performing/visual arts programs/ events</li> <li>Museum exhibits</li> <li>Library programs</li> <li>Education in arts, culture, heritage</li> </ul>	<ul style="list-style-type: none"> <li>Support for businesses with emphasis on small businesses.</li> </ul>
<i>To achieve these (shorter term) outcomes</i>	<ul style="list-style-type: none"> <li>Increased supply of affordable housing in the CRA District</li> <li>More opportunities for home ownership</li> <li>Development of infill housing</li> <li>Upgraded housing conditions</li> <li>Increased private investment in residential areas and commercial areas surrounding residential neighborhoods</li> </ul>	<ul style="list-style-type: none"> <li>More visitors to downtown Delray Beach and the CRA District</li> <li>Increased economic activity downtown</li> <li>More and higher quality cultural &amp; educational opportunities</li> <li>Increased knowledge about local arts, cultural heritage</li> <li>Programs that engage the residents of the CRA District</li> </ul>	<ul style="list-style-type: none"> <li>Creation of higher paying jobs located in Delray</li> <li>Higher occupancy in office buildings</li> <li>Increased economic activity downtown</li> <li>Encourage variety of businesses in the CRA District</li> </ul>
<i>With these long-term impacts</i>	<ul style="list-style-type: none"> <li>Stabilization of neighborhoods</li> <li>Improved quality of life</li> <li>Higher tax base</li> <li>Improved safety; reduction of crime</li> <li>Increased property values relative to other areas of the City</li> </ul>	<ul style="list-style-type: none"> <li>Delray Beach as a nationally recognized arts &amp; culture destination</li> <li>Higher tax base</li> <li>More arts related businesses</li> </ul>	<ul style="list-style-type: none"> <li>National recognition of Delray Beach as a City where companies want to be</li> <li>Higher tax base</li> <li>Increase small businesses</li> </ul>
<i>Demonstrated by these kinds of measures of success</i>	<ul style="list-style-type: none"> <li>Number of affordable housing units (new and renovated)</li> <li>Number of new homeowners</li> <li>Decrease number of substandard units</li> <li>Dollars invested</li> <li>Reduced crime rates</li> <li>Increase in assessed value</li> </ul>	<ul style="list-style-type: none"> <li>Number and types of arts, leisure, and educational programs, events, and businesses</li> <li>Revenue generated by tickets, food &amp; drink, other purchases for partners and community</li> <li>Numbers of attendees, members, volunteers</li> <li>Level of private financial support</li> <li>Level of customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Number of businesses relocating to or expanding in Delray Beach</li> <li>Dollars invested/capital raised</li> <li>Increases in assessed values</li> <li>Occupancy rates</li> <li>Number of businesses served and their location</li> </ul>

# 2023-2024 A-GUIDE FUNDING CYCLE DATES

- |                      |  |
|----------------------|--|
| • May 1, 2023        | Application available online                       |
| • July 14, 2023      | Applications due                                   |
| • August 2023        | Evaluation Committee review of applications        |
| • September 7, 2023  | Organization presentations to CRA Board (Workshop) |
| • September 28, 2023 | Funding Decisions by CRA Board                     |



# GUIDELINE UPDATES FOR 2023

- Audit attachment – if not completed by submission date, must submit letter from auditor stating it is in progress with timeline for completion
- Composition of Funding Evaluation Committee



**THANK YOU!**

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