



CRA Board Workshop Minutes
Tuesday, November 13, 2018 – 10:00 a.m.
City Commission Chambers – 100 NW 1st Avenue
Delray Beach, FL 33444

STAFF PRESENT:

Jeff Costello
Lori Hayward

David Tolces
Teresa Hadjipetrou

Kristyn Cox
Elizabeth Burrows

Renee Jadusingh

OTHERS PRESENT:

Heather Akers
Dorothy Ellington

Stephanie Spence
Mohamed Abdalla

Evelyn Dobson

Gary P. Eliopoulos

1. Call to Order

Chair Petrolia called the meeting to order at 10:00 a.m.

2. Roll Call

Present: Chair Shelly Petrolia, Vice Chair Shirley Johnson, Deputy Vice Chair Angie Gray, Treasurer Bill Bathurst, Commissioner Adam Frankel, Commissioner Ryan Boylston, and Commissioner Pamela Brinson.

Deputy Vice Chair Angie Gray entered at 10:45 am.

3. Approval of Agenda

Not addressed.

4A. Discussion – Carver Square Workforce Housing Design – Elevations/Floor Plans Carver Square (20 Single Family Lots)

Jeff Costello, Executive Director, stated based on the Board's previous comments, there have been revisions made to the plans for Carver Square. Prior to preparing hardline drawings, the sketches are being presented to the Board, and stated the architects would review the plans that addressed the Boards previous comments regarding one (1) car garages, walk-in closets, and the architectural style.

Heather Akers and Stephanie Spence, Architects with Brooks Scarpa Architects, gave a brief presentation on the project. Ms. Akers stated the last round of plans went through cost estimation and was on budget. She noted any additional square footage, including garages, will increase the cost of construction.

Ms. Akers presented the original plans and modifications.

- Model A – two (2) story, four (4) bedroom, three (3) bathroom house
- Model B – three (3) bedroom, two and a half (2 ½) bath home
- Model C – single-story home with four (4) bedrooms, two (2) bathrooms
- Model D – single-story three (3) bedroom, two (2) bathrooms

Changes include the addition of garages, moving some of the storage areas to the garage, opening up kitchens and adding walk-in closets, in addition to reductions to the size of the porches to balance cost increases from other adjustments.

Ms. Spence noted with the Board's approval, the firm could create a new set of hardline plans and provide cost estimation.

Chair Petrolia opened a public hearing on the proposal, however there being none to speak, she closed the public hearing.

Chair Petrolia noted elevations are difficult to determine, but she is concerned there is not enough interest to make the homes desirable. She pointed to an image of one of the fronts, noting it seemed very flat and uninteresting.

Ms. Akers stated they would render the drawings with textures and give better representations once the go-ahead was given.

Mr. Costello stated the quality of the homes and material is important, and a person should not be able to tell the difference between these homes and a market rate home. He noted the homes need to stand the test of time.

Treasurer Bathurst said the Board wants to build houses that people really feel are home, and when you do not know who will inhabit it, it is important to shoot down the middle to appeal to as many people as possible. He stated the vision most people will have is much more of a traditional look, and he thinks these plans are much more in that direction.

Chair Petrolia commented she felt the changes had made leaps and bounds. She noted she especially liked the side porch on the corner lot and thought it added beauty to the home as well as additional living space.

Commissioner Brinson stated she thought it was good, because they made the best use of the space that is available. She said the addition of living space and garages is a plus.

Vice Chair Johnson asked the average square footage of the homes, and Ms. Akers stated it was around 1,600 square feet per home but was increased by the changes and a hardline will be needed to determine the new problems.

Vice Chair Johnson noted Sarah Selzner with Thrive is going to reach out to each of the Board members regarding the project, and she hopes they will give her an opportunity to present herself.

Consensus of the Board was to move forward with the revisions.

4B. Discussion – Update from Affordable Housing Partners

Mr. Costello explained that based on the Board's direction, the four (4) partners were available to give brief presentations, identifying what work they are doing and opportunities and challenges they see moving forward. Those partners are Delray Beach Community Development Corporation, Delray Beach Community Land Trust, Delray Beach Housing Authority, and Habitat for Humanity of South Palm Beach County.

Delray Beach Community Development Corporation

Yvonne Lee Odom, Vice President of Delray Beach Community Development Corporation, spoke on behalf of the President, Charles Brodnick, who was ill.

Ms. Odom shared the organization's mission statement, as well as a photo of the original board members, several of whom are still participating. She recognized others who have been involved in the group's work and introduced the board members present. The Corporation meets on the fourth Thursday of the month.

In sharing the successes of the organization, Ms. Odom stated the Corporation partnered with the for-profit organization, New Urban Communities, and were awarded the contract for a major project. An interest in that project still exists, as there is a lot remaining to be developed.

Ms. Odom remarked currently, the Corporation works with no paid staff. She outlined services they have provided in the past, and said they need help to move forward. Ms. Odom said the goal over the years has been to build houses they would want to live in, and to get people into a house. She discussed ways of making it easier for the homeowner, by doing things like creating a brochure with each organization's information in it.

Ms. Odom stated the Executive Director has worked without pay for five (5) years, and others were compensated in part due to a property sale. She shared the story of how she and her husband got into their first house, and the value of the help they got.

Chair Petrolia asked what was at stake, and why the presentations were being given at this time. She referenced available grant funding and asked if that was the reasoning behind the discussion.

Mr. Costello clarified they had been invited due to comment at a previous meeting. He said there are always opportunities from the CRA and the City, and these discussions were to allow the Board

members background information concerning the affordable housing partners, their initiatives and challenges.

Delray Beach Community Land Trust

Evelyn Dobson, Executive Officer, and Gary P. Eliopoulos, President, spoke on behalf of the Delray Beach Community Land Trust. Mr. Eliopoulos stated the organization is a grassroots effort that fits within one of the core mission of the CRA to eliminate blight.

Mr. Eliopoulos explained the first Community Land Trust started in Vermont, and the Delray Beach community was lucky that Ms. Dobson picked up on this and started an organization that would support homeownership in south Florida.

Mr. Eliopoulos said the organization is different, because the land is owned by the organization, and the clients own the houses. He spoke to the value of ownership and the benefits for families.

Ms. Dobson stated affordable housing is an ongoing topic of discussion, not only in Florida, but nationwide. She said the Land Trust is one of a variety of options for supporting homeownership, and it has continued to grow throughout south Florida in recent years.

Continuing, Ms. Dobson said the organization is not just about putting a person in a home but positioning that person to grow in Delray Beach to achieve other dreams. Homeowners are backstopped against any hardship, with an ongoing relationship forever.

Providing information on area median income, Ms. Dobson provided information on the target audience and the impact the organization has on the community. Working families, especially those in essential services, are targeted. Three (3) new homeowners have been added since October 1, two (2) of whom are City employees. Ms. Dobson stated ten (10) properties are currently vacant, including five (5) recently acquired from the CRA. Three (3) of those vacant properties are not currently buildable.

Ms. Dobson showed photos of neighborhoods impacted by the Land Trust and spoke about future plans for building. She discussed the need to provide housing for those outside of the rental pool provided by the Delray Beach Housing Authority.

In response to a question from Chair Petrolia on the benefit of a land lease type ownership versus outright ownership, Ms. Dobson stated removing the cost of the land makes the home more affordable. She stated in the event an owner wanted to move, the Land Trust has rights to buy back the home.

Chair Petrolia asked if the home would be bought back at market value, and Ms. Dobson explained there is a formula for that determination.

Delray Beach Housing Authority

Dorothy Ellington, President and CEO of the Delray Beach Housing Group, spoke on the program. She explained the Housing Group was created by the Housing Authority as a non-profit to manage and develop property.

Ms. Ellington explained the Delray Beach City Commission appoints the Housing Authority board, and those members also serve on the Housing Group board. The 501(c)3 has been operating since 2008. It is a full-service property manager, which serves families at zero (0) to 80 percent of the median income.

Continuing, Ms. Ellington stated they stay in their lane, doing rental properties and property management. Staffing is comprised of nine (9) full-time employee, one (1) part-time employee, and two (2) contracted employees. They purchased their first property in April 2004 from the CRA, and currently have 684 units of affordable housing

Ms. Ellington shared a list of programs the Housing Authority administers, stating there is a waiting list for their Federally-funded program of up to ten (10) years, so additional programs were created to serve the needs of the community. Units are spread throughout the community. She reviewed a list of properties and shared photos.

Ms. Ellington discussed a study which was done regarding 18 acres in the SW Neighborhood that is owned by the Housing Authority. Phase one (1) and two (2) of that project are completed, including 84 elderly units, and 144 family units. Phase three (3) is 54 townhouses in nine (9) buildings, which will be two (2) and three (3) bedroom units available for purchase, with a mix of income levels, in cooperation with other local organizations. A market study to determine need has been ordered.

Chair Petrolia stated she sat on the Housing Authority Board for three (3) years and gave kudos for partnering with an outside group to maintain the Lake Delray Apartments. She said that complex was going to market, and the City would have lost 404 senior living units. In addition, she stated the property was renovated and is beautiful.

Ms. Ellington added that Florida Redevelopment Association recently awarded the Housing Authority and the CRA an award for the Courts at Village Square, 84 units. She thanked the CRA for submitting the project.

Habitat for Humanity of South Palm Beach County

Mohamed Abdalla, Senior Director for Habitat for Humanity of South Palm Beach County, presented an update on the partnership between the CRA and Habitat for Humanity.

Mr. Abdalla stated Habitat for Humanity is a hand-up, not a hand-out, and supports homeowners who are not able to go to financial institutions to get a mortgage for a home. Habitat for Humanity partners with the family, who gives sweat equity for their own home or another home. In addition, they provide financial education for the families.

Since the inception of the partnership, Mr. Abdalla said they have built 52 homes in Delray Beach, done 40 neighborhood revitalizations, and engaged 750 community volunteers. The standard was lowered this year from 500 hours of sweat equity to 250 hours.

Mr. Abdalla noted construction is underway on a CEO-built home, and in the next 90 days, construction is planned to begin on the next three (3) homes. More than 70 CEOs participated in a recent two-day build.

Continuing, Mr. Abdalla shared regarding other programs, including Rock the Block, a program that included painting of ten (10) area homes at once utilizing partnerships and the work of 250 volunteers.

Mr. Abdalla stated Habitat for Humanity has identified land as a problem across the country, so partnering with organizations like the CRA is key. He spoke of other ways the Board is working to guide people to success within the community.

Chair Petrolia said she thought it was smart to bring in the CEOs, to show those decision-makers the need within the community and help them to feel ownership.

Mr. Abdalla stated there are plans for a women's build next year in Delray Beach. The last project included more than 150 women.

Vice Chair Johnson thanked Deputy Vice Chair Gray for making these presentations possible, stating it was helpful to understand what is available.

Asking that someone from each organization answer questions, Vice Chair Johnson asked how many properties they have developed since their inception, and how many are still in the possession of the original homeowner.

Mr. Abdalla answered from his understanding, there are 52 homes in Delray Beach, and a typical homeowner from Habitat for Humanity stays with the home. He said to his knowledge, there have been zero (0) in Delray Beach that are not in the possession of the original owner and he is only aware of one (1) out of more than 100 built in South Florida, and that was lost due to a family debt. At that point, another Habitat for Humanity family was put in the home.

Ms. Odom said since the young man who purchased their first home lost it to foreclosure, Delray Beach Community Development Corporation contracts have included first right of refusal for purchase. She asked the organization's Executive Director Bill Sanders to speak to the questions.

Mr. Sanders stated since the inception of the Delray Beach Community Development Corporation in 1996, over 300 new homes have been built in Delray Beach, with a total of 250 in the County. Out of those in Delray, he reported three (3) were lost, one (1) of those to foreclosure, and two (2) to sale.

Ms. Dobson said Delray Beach Community Land Trust currently has 73 owner occupied units. Since inception, the organization has bought back four (4) homes from owners. Those units are occupied by new owners and are within the CLT's portfolio. An additional three (3) homes went into foreclosure and the organization was outbid on two (2) of those.

Vice Chair Johnson noted the question did not apply to Ms. Ellington and the Housing Authority.

Continuing, Vice Chair Johnson asked who is in the development team for each organization.

Ms. Dobson stated at the beginning, there were ten (10) general contractors on the team, but after the economic downturn, none of those contractors wanted to work with the organization any longer. She said what saved them was partnering with Stuart and Shelby at a lower rate. The organization is also now working with Hatcher Construction. In addition, they partner with New Urban Development and The Metropolitan Group for Workforce Housing Development.

Mr. Sanders stated Delray Beach Community Development Corporation has worked with several local builders, most from Delray. Vice Chair asked if he could name any of them. Mr. Sanders named Fred Griffin, Randolph Construction Group, Donald Clay Construction, and Hatcher Construction. He said there were others, but these did the majority. He stated in those days, the builder typically brought their own plans and a handful of lenders would do the mortgages.

Vice Chair Johnson asked if they have been working with anyone since they have been dormant, and Mr. Sanders said they are in the process of reassembling a team.

Ms. Ellington stated Klewia Construction built Village Square. She said Brownstone Developers out of Texas was the developer partner and was responsible for the program being spring boarded into what they are now. She said Pioneer Construction was the contractor who built their mixed-use office building, and REG Architects has designed the Phase three (3) that is being prepared for approval by the City, and the contractor portion will be sent out for bid.

Mr. Abdalla stated Habitat for Humanity relies on every person in the room who helps with building.

Vice Chair Gray thanked those gathered for all they do. She asked how the organizations have any measure in place for people who want to turn around and sell their homes.

Ms. Odom stated people have to pay back any subsidies for the first 10 or 15 years, but after that the home is theirs to do with as they wish. She shared a story of a family that was transferred to Alabama for work, but they had already paid back their subsidies, so were able to move. Ms. Odom said there are typically more stories of people staying in their houses for years rather than people selling.

Ms. Dobson shared regarding people transitioning out of Land Trust homes. As an example, she said there were people who needed to be bought out of their houses due to issues with sinking, and several of those people held onto the money and waited for a desirable lot to come into the Land Trust. Ms. Dobson spoke about a woman who stated in her will that she wanted the Land Trust to buy back the house, and also about situations where people did a lease/purchase because they were not eligible for mortgages.

Commissioner Brinson asked if the condition of the house is considered, and Ms. Dobson stated home inspections are completed and repairs are considered the responsibility of the homeowner.

Vice Chair Gray asked Ms. Dobson to address how people gain wealth through the Land Trust program. Ms. Dobson stated when you buy your house, it is a well-known fact that little equity is built during the first 10 years, because very little money goes to the principal. She explained they

are working to help homeowners to have affordable payments so that they can build their own wealth with permanent, long-term affordability.

In response to a question from Commissioner Brinson, Ms. Dobson stated they serve very low, low, and moderate-income households, up to 140 percent of the AMI (Area Median Income).

Mr. Abdalla addressed the questions on behalf of Habitat for Humanity. He stated Habitat for Humanity owns the land, and a zero (0) interest loan is given for 30 years. He said they work as low as 20 to 80 percent of the AMI.

Vice Chair Johnson asked how it would be handled if someone was transferred as in the previous example, and Mr. Abdalla stated Habitat for Humanity would buy back the property based on what had been paid in.

Commissioner Boylston stated the big takeaway for him was how much these programs complement each other, and how they each have their niche. He said he thought the idea of a brochure that showed how these programs all worked was a great idea, as the community does not know the difference. He asked for a breakdown from staff on how much funding should go towards each program based on data and what the community needs.

Continuing, Commissioner Boylston said the CRA has discussed addressing an entire block at once and partnering City professionals with Rock the Block could be a positive.

Chair Petrolia stated she appreciated everyone's presentations and said she would like to direct the CRA Director to look at how the CRA can help with each organization's mission.

5. Adjournment

There being no further discussion, the meeting was adjourned at 11:34 a.m.

Jeff Costello, Executive Director

Shelly Petrolia, Board Chair