



CRA Board Workshop Meeting Minutes
Tuesday, February 12, 2019 – 10:00 a.m.
City Commission Chambers – 100 NW 1st Avenue
Delray Beach, FL 33444

STAFF PRESENT:

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|---------------------|-----------------|--------------------|-------------------|
| Jeff Costello | David Tolces | Teresa Hadjipetrou | Joan Goodrich |
| Caryn-Gardner Young | Renee Jadusingh | Lori Hayward | Elizabeth Burrows |

OTHERS PRESENT:

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|---------------|-----------------|-------------------|--------------|
| Evelyn Dobson | Alice Fixist | Ernestine Holiday | Willie Potts |
| Michael Wynn | Patricia Wright | Loren Dobson | |

1. Call to Order

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

2. Roll Call

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

Commissioner Pamela Brinson and Vice Chair Shirley Johnson joined the meeting at 10:15 a.m.

3. Approval of Agenda

Motion by Vice Chair Gray, seconded by Commissioner Boylston, to approve the agenda as printed. The **motion** passed unanimously (5-0).

4. Discussion

a. Discussion – CRA A-GUIDE Funding

Lori Hayward, Finance & Operations Director, gave an overview of the CRA A-GUIDE Funding program. She stated the Community Redevelopment Plan provides a framework

for projects and activities intended to accomplish the CRA's mission, and several of the overall needs identified in the plan can more effectively be addressed through organizations that demonstrate capacity to address those needs, including affordable housing, recreational and cultural facilities, and economic/business development.

Ms. Hayward gave a brief history of CRA non-profit funding in Delray Beach. Since 1997, the CRA has provided significant funding to various non-profit entities, including those located in City/CRA-owned facilities, for capital projects and operations.

Ms. Hayward stated that under A-Guide, CRA support may not exceed 25 percent of an organization's total operating budget for the year in which the grant is requested, though a few exceptions were granted at the request of the City in recent years. The CRA Board makes the final decision regarding funding amounts. She briefly addressed transition plans and the amount of funding for FY 2018/19 and individual organizations' total budgets.

Ms. Hayward said she met with the non-profit organizations individually, and shared concerns expressed in those meetings about the FY 2019/20 A-Guide funding cycle. She reviewed options available to the Board for determining the level of funding for the FY 2019/20 cycle.

Continuing, Ms. Hayward stated through feedback in the meeting process, the A-Guide application was streamlined to reduce duplication.

Ms. Hayward shared potential dates for the FY 2019/20 funding cycle, to include applications being made available online March 1 and due to the CRA on May 1, with decisions being made in August and September.

Chair Petrolia thanked Ms. Hayward for her presentation and opened the item for public comment, however there being none to speak, she closed the public hearing.

Commissioner Boylston asked if the list of partnerships would grow in the future, and whether the Arts Warehouse would be included at some point.

Executive Director Jeff Costello stated it was possible that a non-profit could move into a CRA-owned property and make an application to become a part of this list. Mr. Costello said the Arts Warehouse is CRA staff run, with no current plans to transition.

Board Attorney David Tolces added that the Board would be responsible for authorizing the creation of a new entity on the list.

In response to a question from Deputy Vice Chair Gray, Mr. Costello gave background on the creation of Delray Beach Community Land Trust (DBCLT).

Deputy Vice Chair Gray asked for clarification regarding moving organizations that currently receive funding to more visible locations when CRA or City-owned properties are not available, and whether funding through A-Guide would still be available.

Mr. Costello stated extenuating circumstances could be considered in specific situations.

Deputy Vice Chair Gray said she would like to see wording included in the A-Guide regulations to that effect. Continuing, she stated she would like to have a conversation surrounding the City paying its fair share in order to allow the CRA to continue doing its work. She said she would like to see the City taking on more responsibility.

Vice Chair Johnson stated the CRA needed to focus more on eliminating slum and blight and asked if all items on the list fit that focus. She said she saw employment and training as a gap in the A-Guide list of partners.

Continuing, Vice Chair Johnson suggested the rule for being in a City or CRA-owned building could be eased until more buildings became available.

Mr. Tolces addressed history of the A-Guide program, as well as the State and statutory regulations. He referenced an Attorney General opinion which recognized what could be funded with CRA funds went beyond buildings because development does not happen in a vacuum but tying back to the Plan and to CRA buildings was important.

Deputy Vice Chair Gray stated she thought the DBCLT should be separated outside of the A-Guide and treated differently. She said she thought the CRA had been handicapping the DBCLT in a sense.

Commissioner Frankel asked what amount of taxpayer funds was being spent on infrastructure in the CRA district.

Mr. Costello said he would have to look into a specific number but gave background information on the recent intent that the CRA fund the total cost of infrastructure improvements inside the CRA District allowing the City to make improvements outside of the District.

Commissioner Frankel addressed the partnership between the CRA and the City and asked his colleagues to remember that if the City were asked to pay for something within the CRA district, funds would be shifted from another need within the City that could have been addressed.

Mr. Costello discussed legislative restrictions on CRA funds, as well as the ability of the CRA to fund infrastructure to free up City general funds.

Chair Petrolia stated much of the development is happening within the CRA district, so a larger portion of funding is going to those needs, but also pointed out the City is responsible for a much larger area that is not included within the CRA.

Continuing, Chair Petrolia said there has been a struggle on the City level at times to meet basic needs and discussed how the partnership with the City works in good times and in leaner times. She used filling potholes as an example.

Deputy Vice Chair Gray said she understood the partnership but did not see cooperation happening until recent months. She talked about alleys and sidewalks in need of funds.

Chair Petrolia stated now that the new CRA Board is in place, those goals can be addressed, and other areas can be reviewed.

Commissioner Frankel asked Ms. Hayward to explain what is broken with the current A-Guide amounts being funded and what changes need to be made.

Ms. Hayward responded that if the CRA is going to move forward with funding at the level the City had previously requested, the non-profits need more direction as to that additional discretionary funding. She said it is tougher on the organizations to apply if they don't know what they can ask for.

Commissioner Bathurst agreed. He stated a lot of people will stick to the rules, but others will ask for more, so the CRA Board needs to provide guidelines. He said he didn't think the sliding scale was a bad idea, as it helped those smaller organizations to get to a place where they might not need as much funding.

Continuing, Commissioner Bathurst said having a firm number gives non-profits more information when completing their budgets.

Commissioner Boylston reviewed the current list of non-profits who were exceptions to the A-Guide rules and made recommendations regarding how to fund projects. He said he did not like the sliding scale and wanted to single out the DBCLT as the only exception.

In response to a question from Commissioner Bathurst, Mr. Costello explained how the Career Source and Ted Center were funded, outside of the A-Guide program.

Vice Chair Johnson said she thought it was highly important to look at the DBCLT, and why it was included in the A-Guide. She stated it should be on a separate list.

Commissioner Boylston agreed, asking why DBCLT no longer had the line of credit discussed earlier in the meeting.

Mr. Costello outlined ways that line of credit program could be put back in place, including bonding or construction financing.

Chair Petrolia asked for a breakdown of the funding included in the DBCLT number in the A-Guide budgets. She said every year could be different, depending on how many projects were going up.

Evelyn Dobson, Director of the DBCLT, said the number included over \$70,000 for development costs, which could have been funded elsewhere. She stated the budget included management of existing units, owned rental properties, training, operations, consulting fees, audit costs, and the full operational budget, but did not include acquisitions.

In response to a question from Chair Petrolia, Ms. Hayward explained potential for year-to-year increases within the budgets of partners, and how the committee examines changes.

Chair Petrolia stated she tends to agree with Commissioner Boylston that there are at least two (2) partners which are of historical significance that the City should take on the responsibility in sharing.

Chair Petrolia said she thought the CRA should look at keeping under the 25 percent threshold, shifting those historical projects to the City and creating latitude for the Delray Beach CRA through an outside fund.

Continuing, Chair Petrolia stated the CRA should look at paying certain partners up front rather than in arrears, because the partners' programming required it. She recommended that item be reexamined by the Board Attorney.

Chair Petrolia observed that having five (5) members on the CRA Board who are also on the City Commission has been making a difference in the smooth process recently. She addressed historical issues with turmoil between the Board and the Commission.

Vice Chair Johnson stated she can't sleep at night at the prospect of going back to separate boards, due to the sheer dysfunction that occurred when they were at odds.

Vice Chair Johnson gave kudos to the OSS and Arts Garage organizations and their efforts. She said community organizations need to reach out to each other and to members of the community in order to become whole.

Chair Petrolia agreed OSS has done an amazing job and turned their ship to sail in the direction that will make the organization sustainable long-term. She said she appreciated it and knew it was not easy, and the same applied to the Arts Garage.

Chair Petrolia summed up that the Board had a consensus to maintain the 25 percent maximum under A-Guide, ask the City to fund part of EPOCH and DBHS, and look at a separate funding pool for the DBCLT.

Ms. Hayward addressed Chair Petrolia's statement regarding paying non-profits upfront, stating it was in place the way it was as a result of an opinion from the Auditor General.

Chair Petrolia asked what work-around could be put in place to make that funding available and easy.

Mr. Tolces stated wording could be put in place to protect the funds in the event that a request was made to provide funding in advance. He said he would work with the agencies as needed.

b. Discussion – Consideration of new property improvement assistance programs and service for priority areas

Joan Goodrich, Director of the Office of Economic Development, gave a presentation regarding adding new tools to existing economic development programs. She said the improvements would address two (2) main areas, including site development assistance, and paint-up and signage for businesses.

Ms. Goodrich began by giving some historical data on changes which had been made to the program in the past, including adjustments to how reimbursement was handled.

Continuing, Ms. Goodrich presented recent feedback and current goals, such as becoming more aggressive in growing businesses and filling commercial spaces in the West Atlantic Area of the CRA. She provided analysis of four sub-areas of the CRA district, including vacancy, rental rates, and age of properties. She said these were some of the oldest commercial properties, making renovation and rehabilitation complicated. In addition, Ms. Goodrich stated the Osceola Park Commercial-Industrial areas had extraordinary opportunity.

Ms. Goodrich shared barriers the CRA can look at eliminating or reducing, as they are currently leading to key properties remaining vacant or underutilized, contributing to the look of slum and blight.

Elizabeth Burrows, Economic Development Manager, presented a case study illustrating how complicated adaptive reuse of commercial properties could be. Issues included change of use, site plan approval, in-lieu parking fee process, and permits, including consultation with multiple departments. As a result, the projects lost more than one (1) year in the process, and lessons were learned.

Ms. Burrows stated the example business helped Economic Development to work out the details of the Business Navigator program, and additional businesses are in similar situations and could be lost without further intervention.

Continuing, Ms. Burrows shared the current CRA Site Development Assistance guidelines, areas of which can create additional barriers. She said the process is cumbersome and does not provide funding early enough in the phases.

Ms. Burrows presented an opportunity for new levels of service, funding project consultant services and pre-development design services through existing contracts with the CRA. She estimated average costs at \$1,000 and \$5,000 per project.

In addition, Ms. Burrows stated the CRA can update the existing site development assistance program by increasing the maximum award and funding level, and standardizing disbursement schedules. She estimated the average award amount in the target area at \$60,000.

Ms. Burrows gave examples of how the new tools could make an impact, such as change of use, ADA accessibility, and properties with high renovation costs and lower rental rates.

Chair Petrolia opened the topic to public comment.

Evelyn Dobson, Director of the DBCLT, stated she would like to see the Curb Appeal program reviewed, and pointed out a number of local residents have tarps covering their roofs because they couldn't afford repairs. She asked that the Board consider citizens above businesses.

Chair Petrolia closed the public hearing.

Vice Chair Johnson stated she was excited about the program and suggested the Curb Appeal discussion Ms. Dobson brought up be a topic for another workshop.

In response to a question from Vice Chair Johnson, Ms. Goodrich clarified the areas of the CRA district that would be eligible for the changed tools.

Vice Chair Johnson asked how many projects an individual businessperson would be allowed to have.

Ms. Burrows stated Economic Development would be open to feedback on the subject and said currently an applicant can have no more than one (1) application per year and no more than the maximum award amount in a five (5) year period.

Vice Chair Johnson said she would like to see more people involved, as there are limited funds.

In response to a question from Vice Chair Johnson, Ms. Goodrich confirmed the requested changes would require an additional dedicated staff person.

Vice Chair Johnson asked about the Business Navigator program and said the Office of Economic Development needs to be more visible.

Ms. Goodrich said Economic Development recognized that additional transparency within the City processes was needed.

Commissioner Boylston thanked Ms. Goodrich and Ms. Burrows for putting together the presentation, and said he also wanted to get more aggressive in this aspect. He said he wanted to have the problem where they come to the City and said too many people were trying to use it.

Deputy Vice Chair Gray said she was extremely excited, as Economic Development has been restricted. She addressed her personal experience and said the consultant services will change the playing field. She noted she wants the CRA to be known for helping people and asked for additional accountability to be added.

Commissioner Brinson thanked Ms. Goodrich and Ms. Burrows for implementing the concerns previously expressed by the CRA Board.

Chair Petrolia addressed the concern brought up by Ms. Dobson, and stated she thought that needed to be an entirely different conversation regarding who and how the CRA can help to fill the gap.

Chair Petrolia stated she agreed the proposed improvements had the potential to make businesses more successful. She said the focus areas were great and liked that the money was being put where it was needed most.

Continuing, Chair Petrolia said the CRA wanted the funding to be looked at per business owner, not business. She said she loved the fact that the vacancies are low and noted a program to keep rents low needed to be addressed.

Chair Petrolia discussed specific examples of businesses that could benefit from programs for the outsides of buildings. She said she was excited, because this was the beginning of something that needed to happen.

c. Discussion – CRA goal setting/plan amendment

Mr. Costello gave a brief overview of a CRA goal setting session tentatively scheduled for March 29, including possible suggested topics. He said a facilitator would be brought on to lead the discussion, and staff members would present.

Chair Petrolia opened the item for public comment, however there being none to speak, she closed the public hearing.

The Board and staff discussed other needs in the community and discussed the format and timing for the goal setting session.

5. Adjournment

There being no further discussion, the meeting was adjourned at 12:02 p.m.

Jeff Costello, Executive Director

Shelly Petrolia, Board Chair