



CRA Board Meeting Minutes
Tuesday, February 25, 2020 – 4:00 p.m.
City Commission Chambers – 100 NW 1st Avenue
Delray Beach, FL 33444

STAFF PRESENT:

Renee Jadusingh	Christine Tibbs	Tara Toto
Ivan Cabrera	DJ Lee	Danielle Arfin
Alexina Jeannite	Lori Hayward	

OTHERS PRESENT:

George Long	Heather Akers	Leslie George
Jonathan Brown	Neil Schiller	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, Treasurer Bill Bathurst, Commissioner Ryan Boylston (via telephone), and Commissioner Pamela Brinson.

3. Approval of Agenda

Motion by Deputy Vice Chair Gray, seconded by Vice Chair Johnson, to approve the agenda as printed. In a roll call vote, the **motion** passed unanimously (7-0).

4. Approval of Minutes

a. January 28, 2020 – Workshop Meeting Minutes

Motion by Commissioner Frankel, seconded by Deputy Vice Chair Gray, to approve the minutes of the January 28, 2020 Workshop Meeting as printed. In a roll call vote, the **motion** passed unanimously (7-0).

b. January 28, 2020 – Regular Meeting Minutes

Motion by Commissioner Frankel, seconded by Deputy Vice Chair Gray, to approve the minutes of the January 28, 2020 Regular Meeting as printed. In a roll call vote, the **motion** passed unanimously (7-0).

5. Public Comments on Agenda and Non-Agenda Items

George Long, 46 North Swinton, thanked the Board for moving the historic building behind the CRA and commented on the ongoing construction project.

6. Presentations

a. DISCUSSION – Carver Square Workforce Housing

Tara Toto, CRA Redevelopment Manager, presented an update on the Carver Square Workforce Housing project. The project includes 20 single family homes located in the Southwest Neighborhood. Ms. Toto shared progress on design documents, City required entitlements, legal documents, and coordination with utilities and City engineering.

Continuing, Ms. Toto showed elevations of the four (4) model options to be included in the project, including:

- Model A: The Pineapple – 2 Story, 3 bed/2 bath, 1,580 square feet (corner lots)
- Model B: The Pineapple II – 2 Story, 3 bed/2.5 bath, 1,940 square feet
- Model C: The Tamarind – 1 Story, 4 bed/2 bath, 1,760 square feet
- Model D: The Mango – 1 Story, 3 bed/2 bath – 1,600 square feet (corner lots)

Heather Akers, Brooks & Scarpa, presented the architecture for the project. She noted the designs had been submitted for approval and were unchanged from the last time they were before the CRA Board. She shared the material choices for the project, options for privacy and shade, and landscaping. She showed images of recent Community Land Trust (CLT) homes with similar materials and construction quality.

Ms. Toto reviewed estimated costs of construction and noted the Board needed to select a strategy prior to moving forward. She stated construction strategy options include partnering with a local nonprofit, CRA managed construction, or partnering with the Palm Beach County Department of Housing and Economic Sustainability under their Workforce Housing Program (WHP). She briefly outlined the details of each option and stated the WHP had representatives present to answer any questions.

Chair Petrolia asked for additional information on how funding works with the WHP. She noted the land and plans are in place, but funding remains an issue.

Leslie George, Housing Liaison with WHP, explained the County’s program requiring developers to build workforce housing or pay “in lieu” fees to be utilized for construction.

WHP Director Jonathan Brown provided additional details on the developer requirements to build workforce housing.

Chair Petrolia stated the WHP may be a good option for the CRA to develop additional workforce housing without putting in the \$6-8 million or more to fund construction.

Deputy Vice Chair Gray asked who would decide which contractors would be utilized.

Mr. Brown stated the WHP can match the CRA with developers looking for a project, then the CRA would do the negotiations.

Commissioner Brinson asked how the WHP calculates income eligibility, and whether assistance programs were available to those unable to qualify based on income.

Mr. Brown stated the calculations would depend on the negotiations with the developer, noting they would ask developers to lower prices as much as possible.

Vice Chair Johnson asked who would qualify applicants and provide first time homebuyer education. She noted the CLT has a great program in place.

Mr. Brown stated an orientation and eight (8) hour homebuyer education program is provided by the WHP, and he would recommend the CRA work with the organization of its choice to qualify applicants before sending them to the County.

7. Consent Agenda

a. CRA Financial Report – December 2019

b. CRA Monthly Progress Report – February 2020

c. First Amendment to Transportation Services (Fixed Route) Agreement with First Transit, Inc.

d. Revised Interlocal Agreement Between the City and CRA for Funding the NE 3rd Avenue/Street Project – FY 2019/2020

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

8. Old Business

a. UPDATE – BH3 Management, LLC – SW 600-800 Blocks of W Atlantic Avenue

Neil Schiller, representing BH3 Management, LLC, gave an update on progress in the 30 days since receiving a Notice of Default from the CRA Board.

Mr. Schiller stated the ribbon cutting had been held the previous day on the first 18 workforce housing units. He thanked the Board members who were able to attend and asked those unable to be present for the ribbon cutting to contact him to arrange tours.

Continuing, Mr. Schiller said BH3 had heard the Board loud and clear regarding the need to submit completed applications. He stated the application would be submitted to the City of Delray Beach on February 26 at 10 a.m.

Mr. Schiller stated the plan is back to the style of the original, with a mix of Florida and Main Street vernacular. He explained plans were still being finalized for submission, so were not available to present at the meeting. He noted the Purchase and Sale Agreement requires CRA approval of the architectural design prior to final site plan approval.

Mr. Schiller explained BH3 had been communicating with CRA staff at least weekly since the January meeting to get feedback and move the project forward. He noted the next steps would be to share the plans with Board members individually to get feedback, as well as to conduct a comprehensive community outreach effort to gain community input.

CRA Attorney DJ Doody stated he wanted to make it very clear that nothing had changed. He noted a letter noticing default went out on January 29, based on the direction of the CRA Board, and despite conversations, legal counsel had not seen any change.

Mr. Doody explained that under the contract, default had not been cured and counsel takes strong exception to the summary report presented by BH3 counsel suggesting the CRA had not been cooperating. He stated this suggestion was false, and the CRA had been and would continue to cooperate under the terms of the agreement.

Chair Petrolia asked for clarification as to whether a submission the following day would change the default status of the contract.

Mr. Doody stated staff would need to look at the submission. He noted if the submission occurred as promised, he and the Executive Director would review the documents and consult as to whether it met the requirements.

Continuing, Mr. Doody reiterated that nothing had changed since the January meeting, at which time a plan exceeding the 10 percent change threshold was presented. He explained the only evidence of change to date was the representation of BH3 counsel.

Executive Director Renee Jadusingh agreed nothing written had been received.

Mr. Schiller asserted staff had been given partial applications. He stated notice that the plan had changed from what was presented at the January meeting was included in those incomplete applications, and he had also spoken with Ms. Jadusingh regarding changes.

Continuing, Mr. Schiller stated he recognized the timing of the CRA Board meeting was unfortunate as they planned to submit the following day. He noted the application submission on February 26 would be two (2) days prior to the date required, and stated they are working collaboratively with CRA staff.

Chair Petrolia clarified the submission would not be early per the original contract.

Mr. Doody added the submission did not meet the extension date; it would be occurring under the 30-day cure period afforded by the contract once Notice of Default was served.

Ms. Jadusingh acknowledged staff had received a partial application and it did show 181 units as stated by Mr. Schiller.

Chair Petrolia asked if it was normal for the CRA staff to receive an incomplete application.

Ms. Jadusingh stated normally there would be plans and other attachments, but all that was received was the signature pages. She noted the completed application would need to be received before staff could execute the agreement, but it was intended as evidence the materials were forthcoming.

Chair Petrolia expressed concern staff was being asked to sign an incomplete application.

Deputy Vice Chair Gray said there had not been mention of whether the larger portions of the project presented at the January meeting had been reduced. She asked Mr. Schiller to clarify and correct the statement that the CRA had not been cooperating.

Mr. Schiller stated the application was submitted incomplete because the client was overzealous, and he had immediately expressed to Ms. Jadusingh that he did not expect her to sign blank applications. He said the comment regarding CRA cooperation was unfortunate. He stated the BH3 team and CRA team had been communicating almost on a daily basis.

Mr. Schiller stated that while he did not have plans to present, he did have the deviation numbers available. He read the following specs for the record:

<u>Purchase and Sale Agreement Proposal</u>	<u>Current Proposal</u>
Total Units – 165	Total Units – 167
1 bed/1 bath units – 16	1 bed/1 bath units – 16
2 bed/2 bath units – 24	2 bed/2 bath units – 26
2 bed/2.5 bath units – 35	2 bed/2.5 bath units – 38
3 bed/2 bath units – 8	3 bed/2 bath units – 8
2-story townhomes – 82	2-story townhomes – 79
Amenity Space for Retail – 28,532 sq ft	Amenity Space for Retail – 27,000 sq ft
Retail Space – 43,300 sq ft	Retail Space – 47,400 sq ft
Grocer Space – 33,000 sq ft	Grocer Space – 34,911 sq ft
Office Space – 21,600 sq ft	Office Space – 22,056 sq ft
Public Open Space – 40,000 sq ft	Public Open Space – 38,041 sq ft
Frog Alley – 32,000 sq ft	Frog Alley – 29,723 sq ft

Mr. Schiller explained the final iteration of the plan came at noon on the day of the ribbon cutting event and was being prepared for submission.

Mr. Doody stated the current agreement was for 30 days to cure, or under the terms of the contract, the CRA and the developer could agree to a reasonable period of time. He clarified the current cure was defined as filing the application, which was the first trigger date within the contract.

Continuing, Mr. Doody said to keep in mind the CRA still owns the property, and the agreement is structured around time elements for performance.

Deputy Vice Chair Gray asked what position the Board was in without plans to review.

Mr. Doody stated the Board may want to consider a special meeting once the application is filed for the purposes of determining compliance.

Commissioner Brinson asked for an update regarding the grocery store.

Mr. Schiller stated BH3 is still in negotiations with two (2) grocers and has advised them of the feedback received from the CRA Board at the January meeting. He said a desire to be a part of the project remains, and he hopes to be able to announce the grocer who will be moving forward within in the next few months. He noted the concern expressed by the grocers was the density of the project and foot traffic that would allow for success without the neighborhood around it.

Commissioner Brinson asked if Piggly Wiggly was contacted.

Mr. Schiller assured her the BH3 team reached out to every grocery store humanly possible. He said he would be happy to sit down with the Commissioner and give her a status report regarding who was contacted.

Vice Chair Johnson asked if Ms. Jadusingh's contacts were utilized in seeking out a grocer, as she had experience in that area in a previous job.

Vice Chair Johnson then asked Mr. Doody to confirm who owns the property.

Mr. Doody responded that the CRA owns the property.

Continuing, Vice Chair Johnson stated the public needs to understand this project is a public/private partnership, and the CRA had not sold the property. She said the project would not be in the current situation if they had worked together.

In response to a question from Vice Chair Johnson, Mr. Schiller explained a minimum of 20 percent of the total units were required to be workforce housing. He noted they be would be spread out as a percentage of each type of unit.

Commissioner Frankel stated he had missed the prior meeting but would have sided with the majority because while beautiful, the changes presented were too drastic and not right for the area.

Commissioner Frankel asserted he had known Mr. Schiller for more than a decade and he has all the ethics in the world. Commissioner Frankel noted he had heard there had been difficulty with exchanging information with staff, and that was not acceptable. He said he hoped that would change moving forward, noting time is of the essence because the community needs the development.

Commissioner Bathurst stated he was looking forward to seeing the submission, and hoped designers went back to the original vernacular as promised.

Continuing, Commissioner Bathurst said he had been getting mail every day saying he gave away \$17 million in land, and it was a shock to him that this was the belief. He thanked Mr. Doody for clarifying that the CRA still owned the property.

Mr. Schiller stated the BH3 team wanted to move forward with full speed and expediency. He said they recognize time is money on both ends.

Mr. Schiller apologized to Ms. Jadusingh and stated they would continue to talk and maintain their relationship. He said moving forward they would see a transparent development team looking to engage with the community.

Commissioner Boylston stated this relationship was a partnership, and noted communication has to be much better. He said if BH3 was having difficulties with bringing in a grocer, the Board needed to be brought in. He stated the Board is watching the industry closely and is aware of efforts in other communities to attract and retain grocers.

Commissioner Boylston said the CRA has invested more than \$300,000 in time and money into the relationship with BH3, and reiterated it is a partnership they want to see come to fruition. He stated he looks forward to moving forward with a new take.

Chair Petrolia stated she was also looking forward to seeing what was submitted and asked for a consensus regarding a special meeting.

Mr. Schiller asserted once the application was submitted, BH3 would receive pages and pages of technical advisory comments back. He noted it would then require time to integrate those comments and public input would be sought, so a special meeting in April might result in the most accurate plans being available.

Chair Petrolia stated she would ask staff and legal to advise the Board regarding the optimal time frame.

Vice Chair Johnson said she would be happy to work with BH3 to go out into the community and get meetings set up.

In response to a question from Deputy Vice Chair Gray, Mr. Schiller stated BH3 wanted to go to the public to get feedback on the design, what the community does and does not want to see included in the project, job opportunities, and related discussions. He said BH3 was active in the community before being granted the RFP and had since gone silent but wanted to make it right.

Mr. Schiller stated that BH3 is committed to the deadlines, noting they do not have control over the number of comments received and time related to those changes. He stated internal operations at BH3 had changed to increase efficiency and make the process go smoothly.

9. New Business

a. Budget Amendment No. 1 – FY 2019/20

Lori Hayward, CRA Finance Director, presented the proposed budget amendment. She noted the change included savings from the CIP project expenses of \$2.1 million and explained additional funds had been allocated to the 3rd Avenue/Street project and to the Carver Square project.

Deputy Vice Chair Gray pointed to \$7.2 million going into community improvement and economic development and asked that a workshop be planned to discuss the line items. She stated she would like to sit down with the new City Manager and talk about giving back some items, such as the A-Guide and Arts Warehouse.

Ms. Hayward clarified the line item for the Arts Warehouse, noting the money they raise is also offset against expenses in the budget. She said they needed less than \$10,000 and that it is close to sustaining itself.

Ms. Jadusingh stated she would plan for a workshop.

Vice Chair Johnson noted the CRA had lost its Economic Development staff in June, and asked that it be a City expense when new hires were brought in. She stated the CRA should be focusing on getting rid of blight.

In response to a question from Vice Chair Johnson, Ms. Jadusingh stated 2039 is the current sunset of the CRA.

Vice Chair Johnson said that date would be here before they know it, because the CRA has just begun to make a dent in slum and blight. She agreed it was time to look at the amount the City depends on the CRA funding.

Commissioner Frankel pointed out it had been nearly a year since the Economic Development staff left and asked what they had lost in that time.

The Board discussed contacts for developers looking to come into Delray Beach and complaints they had heard since losing the office of Economic Development.

Vice Chair Johnson stated the Business Navigator Program developed by the Economic Development staff went away when they left.

Commissioner Frankel said he never understood the position and asked how the Chamber of Commerce could be utilized to fill the gap.

Ms. Jadusingh spoke to how other staff members had inherited management of grant programs that were previously handled by the Economic Development staff. She said there were City demands on the position as well, but from a CRA perspective, it was about giving grants to eliminate slum and blight.

Continuing, Ms. Jadusingh stated when Economic Development staff left their calls were directed to the CRA staff. She said many of those calls were sent to Development Services, so not many stayed with the CRA except grants.

Ms. Jadusingh said it is important for the CRA, City, and other partners need to define what is being looked for in the Economic Development positions. She stated she didn't think those conversations had been had yet.

Commissioner Boylston commented on the impact of Economic Development, noting the difference between a good Economic Development Director and a great one is that a good one answers calls and a great one makes calls. He stated a director should be actively identifying needs in the community and going out looking to fill them and the position should sit under the City Manager, not coming back to the CRA.

Continuing, Commissioner Boylston echoed the need to reexamine the way CRA funds are divided and utilized, and said the Board is overdue for that conversation.

Vice Chair Johnson stated she has heard Boca Raton has a program that developers love, and she would like to see developers have someone in the City to go to when issues come up, rather than stopping the project.

Commissioner Frankel agreed that Delray Beach makes it difficult for businesses to come into the City and said as a City and CRA that needs to be examined.

Commissioner Bathurst echoed previous comments, saying programs aren't bringing in interested businesses to look at Delray Beach because there isn't an advocate speaking on the City's behalf.

Chair Petrolia asserted no one was trying to make it difficult for businesses to come in, and said they want to identify problems and work to solve them.

Motion by Deputy Vice Chair Gray, seconded by Commissioner Frankel, to adopt the Budget Resolution. In a roll call vote, the **motion** passed unanimously (7-0).

b. Letters of Intent to Purchase Two (2) CRA Owned Residential Properties – 102 NW 14th Avenue and 1311 NW 14th Avenue

Christine Tibbs, CRA Assistant Director, presented two (2) unsolicited letters of intent from Habitat for Humanity and the CLT to build a single-family home on CRA land. She shared photos of the properties, which are adjacent. The lots were purchased by the CRA together on January 30, 2019 for \$46,000.

Ms. Tibbs stated staff feels the two (2) letters of intent indicate an interest to develop the properties, so recommend the CRA Board approve the posting of a 30-day notice of intent to dispose of the properties with an invitation for interested parties to submit proposals.

In response to a question from Chair Petrolia regarding the size of the lots, Ms. Jadusingh explained that under the proposals, the two (2) lots would be combined and one (1) house would be built on the property. She stated they were two (2) substandard lots when purchased by the CRA.

The Board discussed the need to move forward with increasing affordable housing options within the CRA and working with community non-profits to develop.

Ms. Jadusingh stated staff has been analyzing the lots currently owned and assessing which should be put out for proposals.

Mr. Doody clarified that the 30-day notice of intent to dispose is a legally mandated requirement to move forward.

Motion by Commissioner Frankel, seconded by Commissioner Boylston, to approve the 30-day notice of intent for 102 NW 14th Avenue and 1311 NW 14th Avenue. In a roll call vote, the **motion** passed unanimously (7-0).

c. Site Development Assistance Program Funding Application – APEX Insurance & Investment Group, LLC – 702 NE 3rd Avenue

Alexina Jeannite, CRA, presented a request for Site Development Assistant Program Funding Application for Apex Insurance & Investment Group, LLC for proposed interior and exterior improvements at 702 NE 3rd Avenue, within CRA sub-area six (6) in Del-Ida Historic District. She noted Apex is currently in a temporary Delray Beach home and has purchased this property to make the move permanent.

Ms. Jeannite stated staff recommends approval of funding in the amount of \$29,406.60. She explained maximum funding allowed would be \$50,000.

Commissioner Bathurst confirmed the project was being monitored for historic preservation, and said he loved to see places being fixed up.

Vice Chair Johnson stated she met with the owner, and he was proud and enthusiastic about the project.

Motion by Commissioner Frankel, seconded by Commissioner Bathurst, to approve the Site Development Assistant Program Funding Application for Apex Insurance. In a roll call vote, the **motion** passed unanimously (7-0).

d. Modification to Historic Façade – Masonic Lodge Building – 44 East Atlantic Avenue

Commissioner Frankel shared that he is a tenant in the building at 44 East Atlantic Avenue paying market rate and asked legal counsel if he should participate in the discussion.

Mr. Doody clarified Commissioner Frankel has no financial interest in the property. Ivan Cabrera, CRA Redevelopment Manager, presented a proposal on behalf of the Masonic Lodge Building located in the Old School Square Historic Arts District. He noted the structure was built in 1924 and was renovated in 1998, at which time the CRA obtained a façade easement.

Mr. Cabrera shared the list of proposed changes, including exterior color, replacement of ground floor windows and doors, awnings, and lighting fixtures. He explained staff has reviewed the proposals and recommend approval with the condition that the property owner complies with all City requirements of the project.

Mr. Cabrera stated the addition of a mural on the exterior of the building was a part of the proposal, but that portion was not in compliance with City requirements and is not included in the final project.

Chair Petrolia confirmed the project had gone before the Historic Preservation Board.

Mr. Cabrera stated the project had been through the Historic Preservation Board and they had submitted a letter of approval with conditions, including restoration of the crest and removal of the mural.

Mr. Doody requested a development order be created, incorporating the conditions of both the Historic Preservation Board and the CRA Board.

Motion by Commissioner Bathurst, seconded by Commissioner Frankel, to approve the project, subject to conditions. In a roll call vote, the **motion** passed unanimously (6-0). Deputy Vice Chair Gray had stepped away from the dais and did not vote.

10. Other Business

a. Comments by Commissioners

Commissioner Bathurst commented on a fire earlier in the day at the train station, and said it was very disappointing the way the building had been treated. He noted the CRA needs to work to preserve the historic gems in the community.

Additionally, Commissioner Bathurst stated he would like to see goals set regarding how many homes of each time the CRA will approve for each of different segments, including CLT and Habitat for Humanity homes.

Vice Chair Johnson expressed her appreciation of the CRA staff and Executive Director in doing the work the CRA is meant to do, and said it was for the betterment of Delray Beach.

Continuing, Vice Chair Johnson stated she would like to counter Commissioner Bathurst's statement by saying the Southwest and Northwest Neighborhoods are an excellent place to do a 75 percent CLT, because there are people who would never be able to own their own homes without the program. She encouraged a continued majority in trust.

Chair Petrolia stated she had been sick all day over the loss of the train station, noting it was an important part of the City.

Continuing, Chair Petrolia said it is important the CRA work to follow its contracts in order to keep development moving forward and the Board doing the right thing.

Commissioner Boylston thanked staff for taking on initial meetings to explore partnerships and projects, noting Ms. Jadusingh is on top of all recommendations. He asked the Board and staff to take notice of the home at 354 Lake Ida Road, half of which had burnt down, and stated he would like to look into ownership in order to address slum and blight.

b. Comments by Board Attorney

None.

c. Comments by Executive Director

Ms. Jadusingh shared upcoming events, including plan amendment meetings and a housewarming for the Wellbrock House. She noted video and photos of the move would be shared, and the photos would be subsequently displayed at the Arts Warehouse.

11. Adjournment

There being no further discussion, the meeting was adjourned at 5:55 p.m.

Renee Jadusingh, Executive Director

Shelly Petrolia, Board Chair