

COMMUNITY REDEVELOPMENT AGENCY MEETING



City of Fort Lauderdale
100 N. Andrews Avenue
Fort Lauderdale, FL 33301
www.fortlauderdale.gov

Meeting Minutes - APPROVED

Tuesday, June 7, 2016

City Commission Conference Room

Meeting was called to order at 1:00 a.m. by Chair Seiler.

ATTENDANCE ROLL CALL

Present: Chair John P. "Jack" Seiler
Vice Chair Dean J. Trantalis
Commissioner Bruce G. Roberts
Commissioner Robert L. McKinzie
Commissioner Romney Rogers

QUORUM ESTABLISHED

Also Present: Lee R. Feldman, Executive Director
John Herbst, City Auditor
Jeffrey A. Modarelli, Secretary
Cynthia A. Everett, General Counsel
Jonathan Brown, Area Manager, Northwest Progresso Flagler Heights Community
Redevelopment Agency (NWPF CRA)
Don Morris, Area Manager, Beach CRA

CRA-1 16-0706 Minutes for May 3, 2016 CRA Meeting

A motion to approve the Minutes for the May 3, 2016 CRA Meeting and the agenda for tonight's meeting was made by Vice Chair Trantalis and was seconded by Commissioner Roberts.

APPROVED

Aye: 5 - Commissioner McKinzie, Commissioner Rogers, Commissioner Roberts, Vice-Chair Trantalis and Chair Seiler

CRA-2 16-0456 Motion to Approve a Community Redevelopment Agency Streetscape Funding Agreement with Flagler Village Land Trust, Steven B Greenfield Trustee for The Quantum at Flagler Village Project - \$500,000.00

Executive Director Feldman requested a deferment on this item until June 21, 2016.

A motion to defer approval a Community Redevelopment Agency Streetscape Funding Agreement with Flagler Village Land Trust, Steven B Greenfield Trustee for The Quantum at Flagler Village Project - \$500,000.00 was made by Commissioner Trantalis and was seconded by Commissioner Roberts.

DEFERRED UNTIL JUNE 21, 2016

Aye: 5 - Commissioner McKinzie, Commissioner Rogers, Commissioner Roberts, Vice-Chair Trantalis and Chair Seiler

CRA-3 16-0556 Proposed Incentives for the Northwest Progresso Flagler Heights Community Redevelopment Agency (NWPf CRA)

Chair Seiler recognized Jonathan Brown, Area Manager for the Northwest Progresso Flagler Heights Community Redevelopment Agency (NWPf CRA), who addressed the Commission on this item. Mr. Brown stated this item seeks direction from the CRA Board on the proposed enhancements to the existing CRA incentives. He stated City Staff has met with the CRA Advisory Board in March, April, and May of 2016 to discuss these changes. Mr. Brown stated both Staff and the CRA Advisory Board are seeking direction on giving Staff the authority to make the final decisions on the CRA's Facade Program, the Housing Rehabilitation Program, and the Purchase Assistance Program, and is similar to the authority given to the City's Housing and Community Development Staff. He further stated that if the project meets the approved criteria, Staff will review and provide its decision to the CRA's Executive Director and General Counsel's office for review and signature. Mr. Brown stated the CRA Advisory Board would prefer that any project over \$50,000 go back to the Advisory Board for review.

Chair Seiler asked Mr. Brown why the NWPf CRA would not send any project over \$50,000 back to the Advisory Board for review. Mr. Brown gave the CRA Board an example of the Rehabilitation Program and Homebuyers Programs stating within the Housing Community Development Department it would be unusual to approve one house and then to have to go back for another level of authority to approve the house next door. Mr. Brown said the NWPf CRA wishes to administer this program in the same

manner as the Housing and Community Development. He said this would allow Staff to expedite and complete projects in a timely manner and is consistent with the programs already in place.

Commissioner Rogers asked Mr. Brown about the focus area. Commissioner Rogers questioned if every single one of the City's incentive programs will be in the focus area. Mr. Brown responded stating these CRA Programs are within the NWPFH CRA. Commissioner Rogers stated the need for a focus area is essential. Secondly, Commissioner Rogers noted the City needs to tier CRA funds to entice first participants to receive the most and working its way down. His further comments included the budget needs to be assigned to prioritize development as the City wants to ensure it is enticing enough participants to attract the desired end result. Commissioner Rogers stated this is where the City needs to be precise and questioned other the effectiveness of other programs. He stated he would like the City to put its dollars into the prioritized focus areas to ensure the best results.

Chair Seiler noted Commissioner McKinzie has taken a very active role in turning the NWPFH CRA around but recognizes that the NWPFH CRA has underperformed though new personnel have been brought in and it has been restructured. Chair Seiler further stated he does not want to do anything inconsistent with the Advisory Board's recommendation until the City is safely on firm ground with the NWPFH CRA. Mayor Seiler further stated that, if necessary, the CRA Board and the CRA Advisory Board can meet more often stressing the importance of keeping two sets of eyes and ears on the NWPFH CRA and to change this would be a mistake.

Commissioner Rogers suggested waiting for the City Auditor's Office final audit before deciding on a final budget and the processes to be put in place. Vice Chair Trantalis concurred and Chair Seiler asked City Auditor Herbst what the timing will be regarding completion of the final audit. City Auditor Herbst stated his office is two months away from having a draft audit report ready noting the remaining steps and time required to prepare the final audit will be approximately two to three months. Further discussions ensued.

Mr. Brown stated the NWPFH CRA Staff does not want to request a match for façade, streetscape, or the property and business improvement programs for projects within the Focus Area. It was noted the CRA Board was in agreement with the CRA Advisory Board's recommendation that projects inside the focus area's streetscape projects should require a match.

Mr. Brown stated the CRA Advisory Board recommended having contractors who are within the CRA or within the City of Fort Lauderdale be given extra preference points for the award of contracts. He stated that if this is the case, the bid award would no longer be awarded to the lowest, most responsive bidder. Executive Director Feldman stated the City's current ordinance provides for a preference for City of Fort Lauderdale businesses, not CRA allocated businesses and is a nuance in this case. Further discussions ensued on what is legally permitted. Chair Seiler stated the Commission will revisit this issue later when they review the \$50,000 threshold issue and will continue with the current plan.

Mr. Brown stated with regard to the Commercial Façade Program, which addresses exteriors; the Advisory Board was in agreement with the recommended changes with the exception of owner's equity. The question was raised as to whether or not the owner's equity could include the land owned by the owner being part of the match in lieu of dollars on the table. Mr. Brown said there was a split decision on the Advisory Board regarding this issue. Mr. Brown stated Staff recommended it not include the land (owner equity) and the Advisory Board never came up with a consensus or a counter recommendation. Chair Seiler stated the Board will agree to approve Staff's recommendation on the Commercial Façade Program.

Regarding the Property Business and Improvement Program, which addresses interiors, Mr. Brown stated although the Advisory Board made a lot of effort, they could not come up with a vote to approve the

proposed changes. Further discussions ensued including the need for a job creation component or a job retention requirement, and a minimum property standards requirement to not only redevelop the building but set a tone for what the area should look like. Discussions ensued on how to enforce these requirements.

Executive Director Feldman stated the way to enforce this is through a mortgage on the property that is ultimately forgiven at a point in time. General Counsel Everett stated the details needed to be flushed out and need to be very specific. She stated if the Board approves these concepts, Staff may be coming back to the CRA Board with some further explanation and detail as to how the program is going to work. Vice Chair Trantalis asked why these details and explanations are addressed prior to requesting an approval from the CRA Board. General Counsel Everett stated it was not her department's item. Further discussions ensued.

Chair Seiler asked the Commission to come up with a threshold dollar amount to get things moving to present to the CRA Advisory Board and the CRA Board. The Commissioners recommended several amounts to set as a threshold amount and decided on a threshold amount of \$225,000 with the ability to submit a request to the CRA Board for additional funds from a company that has a greater need.

City Auditor Herbst noted the need for two points of clarity. He stated the Commission has had a policy that this would not cover repairs and was not designed to bring a business into code compliance. In order to be consistent, City Auditor Herbst asked if this policy has changed. Chair Seiler stated if the funding was bringing something into compliance with Code on an issue that was created by the owner, the CRA would not fund it. However, if someone new is coming in and purchasing the property and they inherit the Code issue, then CRA funding would be available.

City Auditor Herbst's second point related to job retention and the definition and measurement of job retention were it not for the CRA investment. Mr. Brown stated the HUD standard included fixing issues that would allow people to retain their positions.

Mr. Brown stated that the CRA Advisory Board and Staff are in agreement with the Streetscape Program and the Property Tax and Reimbursement Program.

Mr. Brown said the CRA Staff is proposing a new incentive that is consistent with the CRA Plan. It is the Incentive Development and Incentive Program which gives the Advisory Board some flexibility if the CRA funds a project that has a cost of in excess of \$5,000,000. Mr. Brown noted they are now talking to developers who are looking at \$30,000,000 - \$60,000,000 projects with the goal of using this to give the NWPFH CRA flexibility to utilize more than one of the incentive programs, i.e., combining two separate incentives giving flexibility due to the fact there are caps on these programs. Mr. Brown stated this would alleviate the need for two separate sets of document submissions by spelling out the programs in one incentive document submission.

Chair Seiler stated he had an issue with the Purchase Assistance Program as it relates to passing it on as a subsidy to an eligible family. Chair Seiler noted there should be a minimum timeframe that is not currently in the documents. Chair Seiler stated he would not approve this program without that condition due to previous situations where a program participant receives CRA funds and then "flips" the house. Mr. Brown clarified this and agreed to rewrite paragraph three. Executive Director Feldman stated Staff will make sure the detail in the program contains the same HCD requirements for the Purchase Assistance Program.

Mr. Brown stated the only difference in the Incentives for Rehabilitation and for the First Time Home Buyers is the request for the stated income go up from \$140,000 to \$160,000 for the Area Medium Income (AMI). This would allow not only funding of the low and the very low income households as is

being done in Housing and Community Development but would allow for the funding of moderate income households needs.

City Auditor Herbst asked for clarity about reducing any of the down payment assistance programs currently being done or supplanting current CRA dollars. Mr. Brown stated, “not at all.”

Commissioner Rogers commented on the Residential Rehabilitation Program questioning what was being accomplished unless the NWPFH CRA was staying in the focused areas as opposed to picking and choosing locations. Mr. Brown stated he skipped over the Residential Rehabilitation Program and the NWPFH CRA is looking to use the Home Buyer Program and the Rehabilitation Program in conjunction with each other.

Mr. Brown stated they have been meeting with the City's loan consortium of nonprofits organizations and lenders to ensure they can sell the properties at a gain and not at a loss. Mr. Brown stated in his discussions with these entities, the CRA is pursuing the Home Buyers Program with the Rehabilitation Program, picking two or three blocks at a time to build infield in those lots. This will allow the rehabilitation of the houses in the area. Mr. Brown stated the goal is to get as close to Franklin Park as possible because the County is building there, and they are setting market for values for housing in that location. Mr. Brown proposed the NWPFH CRA will begin by going from west to east in the NWPFH CRA area because single family lots are located in the northwest area of the City.

Commissioner Rogers stated in terms of priority, the CRA must start with a focus area and should be restricted to the stated focus area. Mr. Brown stated the focus area is from Sistrunk from 24th Street to the FEC Railway. Commissioner McKinzie further outlined the focus area. Mr. Brown stated he was only addressing the City owned or CRA owned lots.

Chair Seiler confirmed with Mr. Brown that he had a clear record of the items approved by the CRA Board tonight, and Mr. Brown confirmed he had a clear record.

A motion to approve the proposed incentives for the Northwest Progresso Flagler Heights Community Redevelopment Agency (NWPF CRA) was approved by the CRA Board as discussed during this meeting was made by Commissioner McKinzie and was seconded by Commissioner Roberts.

APPROVED – As Amended

Aye: 4 - Commissioner McKinzie, Commissioner Rogers, Commissioner Roberts, and Chair Seiler

Nay: 1 - Vice-Chair Trantalis

CRA-4 16-0610

Proposed Classification and Compensation Structure and Benefits Options for the Fort Lauderdale Community Redevelopment Agency (CRA)

Chair Seiler recognized Don Morris, Area Manager for the Beach Community Redevelopment Agency who addressed the Commission stating on May 3, 2016, the Board approved a Classification and Compensation Structure for six new Community Redevelopment Agency full time employees which the CRA Board had deferred. Mr. Morris stated in the interim, the CRAs are being staffed using existing City employees prior to the CRA Board's approval. Mr. Morris stated currently there are five existing City employees that need the Board's approval. They include an Administrative Specialist, an Economic Development Program Aid, a Project Coordinator, and Community Redevelopment Agency Managers, Jonathan Brown and Don Morris. Mr. Morris expounded on the Classification and Compensation Structure and Benefits Options and the amended Organizational CRA Chart submitted to the Board. Mr. Brown stated this Class and Compensation Plan is consistent with the City's Classification and Compensation Schedule and the CRA Organizational Chart was amended slightly from the original so the positions match up with the compensation classification as questioned at the last CRA Board meeting. Comments and discussions ensued and Commissioner Roberts asked if tonight's submission satisfies the questions at the April 5, 2016 meeting regarding the CRA's Organizational Chart approval. Mr. Brown confirmed this for Commissioner Roberts.

Discussions ensued on the vacation and sick leave aspects of the benefits, and it was noted by Executive Director Feldman that these accrue over a period of time and was dependent on various factors. Mr. Morris stated tonight's submission regarding compensation and benefits for these new hires were based on the information received from the City's Human Resources Office. City Attorney Everett commented on the inability at this time to determine if the coding is correct and noted it may change over time. Mr. Morris stated the CRA By-Laws stipulate that the CRA follow all of the City's Personnel Regulations for compensation, vacation and benefit packages and are equivalent to City employees. Further comments and discussions ensued on this topic. Executive Director Feldman stated the intent is to make these benefits identical to the existing A Plan for City employees including all the changes made for new hires. Further discussions ensued.

Chair Seiler recommended running the proposed Classification and Compensation Structure and Benefits package for the full time CRA employees by Human Resources for review and confirmation. Mr. Brown stated the Classification and Compensation Structure and Benefits package was prepared by Human Resources in conjunction with the City Attorney's Office. Commissioner McKinzie stated that the City's Human Resources Office and the City Attorney's office need to be in agreement prior to presenting the CRA Classification and Compensation Structure and Benefits Package to the CRA Board for approval.

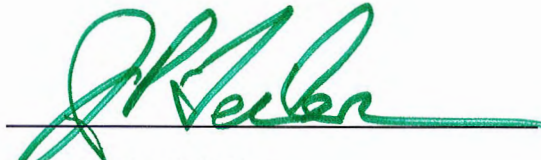
A motion to defer approval the proposed Classification and Compensation Structure and Benefits Options for the Fort Lauderdale Community Redevelopment Agency (CRA) was made by Commissioner Roberts and was seconded by Commissioner McKinzie.

MOTION TO DEFER UNTIL JUNE 21, 2016

Aye: 5 – Commissioner McKinzie, Commissioner Rogers, Commissioner Roberts, Vice-Chair Trantalis, and Chair Seiler

ADJOURNMENT

There being no additional business before the CRA Board, Chairman Seiler adjourned the meeting at 1:53 a.m.



John P. "Jack" Seiler
Chair

ATTEST:



Jeffrey A. Modarelli
Secretary