

DRAFT
MEETING MINUTES
NORTHWEST-PROGRESSO-FLAGLER HEIGHTS
REDEVELOPMENT ADVISORY BOARD
FORT LAUDERDALE
8TH FLOOR CONFERENCE ROOM, CITY HALL
December 10, 2019 – 3:00 P.M.

Cumulative Attendance

June 2019 – May 2020

<u>Members Present</u>	<u>Attendance</u>	<u>Present</u>	<u>Absent</u>
Rhoda Glasco Foderingham, Chair	P	7	0
Dylan Lagi, Vice Chair (arrived at 3:06 p.m.)	P	6	1
Leann Barber	P	6	1
Sonya Burrows	P	6	1
Kenneth Calhoun	A	6	1
Lisa Crawford (arrived at 3:16 p.m.)	P	5	2
Matt Habibi	A	5	2
John Hooper	P	5	2
Michael Lewin	P	7	0
Steffen Lue	P	6	1
Lorraine Mizell	P	2	0
Christopher Murphy	P	7	1
Michelle Nunziata	P	2	5
John Quailey	P	7	0
Tina Teague	P	6	1

Staff

Vanessa Martin, CRA Business Manager
Bob Wojcik, Housing and Economic Development Manager
Clarence Woods, III, NPF CRA Manager
Lizeth DeTorres, Sr. Administrative Assistant
Eleni Ward Jankovic, Housing and Economic Development Manager
Corey Ritchie, CRA Project Manager
Thomasina Turner, NPF Planner
Jamie Opperee, Prototype-Inc.

Guests

Peter Foltz with West Village Project
Drew Melville with Melville Law

Currently there are 15 appointed members to the Board, which means eight would constitute a quorum.

I. Call to Order/Roll Call

Rhoda Glasco Foderingham
Chair

Chair Foderingham called the meeting to order at 3:03 p.m. and roll was called.

II. Approval of Minutes

NPF CRA Board

- November 12, 2019 Minutes

Motion by Mr. Lewin, seconded by Mr. Lue, to approve the minutes of November 12, 2019. In a voice vote, the **motion** passed unanimously. (13-0)

III. Project Funding Update

**Vanessa Martin,
Business Manager**

Ms. Martin reported that approximately \$2,023,000 million has been allocated to spend as of today.

IV. Purchase and Development Proposal by Lansing Melbourne Group, LLC on behalf of 220145 LLC for 714 Sistrunk Boulevard and 526 NW 7th Terrace, and request for \$12,000,000 in CRA Development Incentive Program (DIC) Loans for the West Village Project at 501 NW 7th Avenue with Loan Payments and Rent Entitlements assigned to a NPF CRA Community Economic Redevelopment Corporation (CEDC) to be formed by the CRA

NPF CRA Staff

Mr. Wojcik explained the applicant wants to purchase the CRA property and would like the Board to approve \$12 million in CRA Development Incentive Program loans to the West Village Project LLC. West Village is a mixed-use project with two six-story buildings that contain more than 455 multi-family rental units, approximately 17,752 square feet of retail space, and a six-story parking garage. The developer assembled the entire block between NW 7th Avenue and NW 7th Terrace and between NW 5th Street and NW 6th Street for this massive project. The estimated total capital investment is approximately \$103 million and CRA funding is \$12 million, which is approximately 11.5% of the total. The \$12 million CRA funds would be made in two loans; one is a forgivable loan for \$8.4 million and the other is a \$3.6 million 0% interest loan, to be paid over ten years. There was discussion at the last meeting about the creation of a Community Economic Development Corporation to continue the mission for the CRA after it sunsets, which was approved. The CRA will assign the proceeds from the CRA loan repayments to the new proposed Community Economic Development Corporation along with leasing rights of approximately 4,000 square feet of property and retail space that would be included in the West Village Project and reserved for the CRA at a reduced rent.

Mr. Flotz provided a brief Power Point presentation and noted the entire block has been assembled. They do not have any debt and are interested in moving forward quickly. The project has two courtyard buildings with a garage in the middle, and a podium with retail space on the ground floor. It is believed this project moves the center of gravity of Downtown to the west. The project is large, about \$103 million if prices stick. They will start from Sistrunk Boulevard and work their way south; with the goal of opening one building and the garage, then proceeding to the second building.

Mr. Murphy questioned what the project delivers for the community.

Mr. Flotz indicated that they are trying to have lower rents than what they could have if they were six blocks to the east. It is believed rents would be about 20% to 25% below what they are in Flagler Village, which is consistent with studies the CRA is depending on.

Ms. Barber questioned how long the lower rent would last; it seems as the neighborhood improves that rents would be reflective.

Mr. Flotz thought there would always be a difference being in the center and west of Flagler Village, just as there is a difference east of Flagler Village.

Mr. Murphy mentioned returns on the project are about 5% without CRA funding and about 9% with CRA funding. He questioned if CRA funding was to drive up the development's returns.

Mr. Flotz stated they need to get to a minimum return in order to attract investment capital in the loans; they are never going to get that coverage at a 5%. They are trying to demonstrate the difference CRA dollars are making; they make this an investable project.

Mr. Murphy questioned the benefit for the neighborhood.

Mr. Flotz believed an Economic Impact Study was circulated, and the basic issue was the economic impact; the neighborhood gets employment and redevelopment in the area. It was believed this would become the catalyst for future redevelopment around the area, which was the reason development was being done; it would also be the reason for the CRA to make the investment.

Mr. Lewin questioned if there were any workforce units and if there were any AMI requirements for the renters.

Mr. Flotz advised there are a ton of workforce units; he believed the entire project was workforce from a practical standpoint. They are committed that rents would be achievable for workforce based on HUD; their threshold is 160% AMI.

Mr. Woods questioned if they have a requirement based on zoning where they got the additional two stories and where 10% of the units have to be affordable.

Drew Melville, with Melville Law, thought the requirement was 80/120 and indicated the Affordable Housing Agreement was part of their Entitlement Package.

Mr. Lewin commented they needed 10% of the units to be between 80% and 120% of the AMI for the height bonus, which seemed like a low threshold.

Mr. Flotz stated that they are attracting capital in the projects being done in North Carolina because they are 100% workforce projects and there are funds targeting them to do workforce projects.

Mr. Lewin questioned the total density.

Mr. Flotz advised there are 150 units per acre; it is an urban project.

Mr. Lewin mentioned the grants could not get Flagler Village rents on Sistrunk Boulevard because they are very different neighborhoods. This kind of density would be expected in a Downtown Flagler Village project, then rents would justify and pay a portion of the development. He expressed concern, but was not sure if there was a ton of community betterment besides a large intense multi-family project. He questioned if lessening the intensity of the project was considered or if they thought about dropping two stories, which would make it more affordable to build. He also questioned if any type of sensitivity analysis was conducted to see if 150 units per acre was the most profitable density.

Mr. Flotz indicated they have been trying to maximize density on the project; getting 1,000 new people would do more for the neighborhood than having less, so he was trying to get more than less and trying to give people a reason to develop around them.

Chair Foderingham mentioned if new businesses were going to be brought in as retail, there must be bodies to service the development, so that is one reason this is a higher intense development. Unless people in the neighborhood are going to visit these businesses and retails, one of the purposes is being defeated.

Vice Chair Lagi questioned how the CDC and current request with the CRA is scheduled.

Mr. Wojcik advised it is \$2 million this year, \$3 million the following year, then \$3.5 million over the next two years each year.

Chair Foderingham questioned the budget for next year and the following year.

Ms. Martin stated there was currently \$2 million left in the budget for this fiscal year and next fiscal year multiple projects are going forward from 2021 to 2024 totaling about \$23 million; those are already committed funds. For 2021, they are projecting committed funds of \$7.75 million, about \$4 million will be left for new development in 2021.

Vice Chair Lagi commented that after this project, there would not be any future projects to entertain the rest of the fiscal year.

Ms. Martin indicated there would only be \$23,000 left once \$2 million is encumbered for this year.

Vice Chair Lagi mentioned if the Board committed to this project, there would be nine months left of the fiscal year and \$23,000 to work with, which is nothing. He noted if \$1 million were distributed, at least there would be some incentive for other projects, both small and large.

Mr. Flotz stated they have been working with staff matching the CRA cashflow to theirs. Essentially, CRA funding is coming in, in four different years; it is contingent on them closing on a construction log and putting the shovel in the ground. He did not know what their downstream cashflow looks like, but if the Board would feel better taking \$1 million out this year and putting another \$1 million in the last year, it would work for them.

Ms. Nunziata mentioned retail and questioned if there was a concern with occupying that space. The shopping center diagonal from them has had issues with vacancies for quite some time. She questioned how their rents would be for the area because it seems to be one of the biggest problems; rents must be affordable.

Mr. Flotz agreed the project across the street has done nothing for the neighborhood. Part of that was the way they were structuring their rent; the rents are ridiculous and do not reflect the value of the space. They will probably get it once this development opens because suddenly there will be people. He stated that \$12 per foot is the target, which is not crazy rent in Fort Lauderdale. He needs someone who is viable with decent credit and able to open their business, but he would rather have them spend their money making their business viable, market it, and have decent inventory or food if they are a restaurant, than to collect more rent. They are not depending on making money to pay the debt in retail, they are depending on residents bringing that income; retail becomes support space and is

almost an amenity for them. The partnership with the CRA was easy to do and that is where they are going to target themselves. They are trying to get a small grocer to take 8,000 or 10,000 square feet, like a Trader Joe or something similar, to bring real food at real prices. They need someone that has critical mass, they cannot just fill the space with food and restaurants; parking would not work.

Mr. Woods stated everything regarding rent is in the agreement.

Mr. Melville advised that housing requirements are based on Fort Lauderdale Inclusionary Housing Requirements. Moderate Income Housing is what these units are set to be attainable for; it is 50% to 100% of the median gross household income, which is based on the HUD AMI. In keeping with HUD policies, there are scattered units throughout the project; 28 one-bedroom, nine studio, and two townhouse bedrooms.

Chair Foderingham questioned if Affordable Housing and Moderate-Income Housing are the same.

Mr. Melville stated they are set up for moderate income under the City's definition and that is where they are required to have at least 10% for the height bonus.

Chair Foderingham commented that there are 455 multi-family rental units and 498 parking spaces in the parking garage. Parking was reduced and now they are at 56.6% of the required spaces. She questioned if the garage is only reserved parking for residents.

Mr. Flotz indicated the ground floor is open to public parking; there are 80 spaces on the ground floor that are open for public parking. That was part of the entitlement or shared parking analysis they conducted.

Chair Foderingham stated that would leave 410 spaces for 455 units. She questioned if there was any additional on-street parking in the area.

Mr. Flotz advised that everyone would get one parking space and they will usually be between 93% and 94% occupied. He noted on-street parking was created on NW 7th Terrace.

Chair Foderingham questioned if the townhouses have separate parking and if they have garages.

Mr. Flotz stated that townhouses were part of the count; there are not many, and they do not have garages. Townhouses are in front of the parking garage and are like liner units on the west side of the project.

Chair Foderingham mentioned the traffic analysis and noted that it included all the projected development as well as existing. She commented that she saw something about improved signalization at NW 6th Street and NW 7th Avenue and questioned if that was anticipated.

Mr. Flotz stated it was anticipated and accounted for in the \$103 million budget. There were also a substantial sewer and water infrastructure improvements that must be done.

Ms. Barber commented if the Board is considering \$12 million, she would like to have some comparison. If \$12 million were bid out as an RFP for exciting proposals, the Board could see what people want to do with the money to change the neighborhood. She thought that would be valuable especially as they are getting down to the last few years of the CRA. This project is great, but it is not going to be a game changer in her opinion.

Ms. Nunziata questioned if this project could come back again if it were not approved because the budget would be down to \$23,000 for the fiscal year. She also questioned if this request could be deferred.

Chair Foderingham stated the developer has said if the Board needed to reduce the first-year distribution to \$1 million that was something they would consider with the other \$1 million being on the back end. She thought that was something to consider, so the Board would still have something to work with for the rest of this fiscal year.

Mr. Lue questioned if local contractors were being used.

Mr. Woods stated they have not gotten there yet, but the applicant has indicated they would be willing to make sure they are contracting out to local businesses.

Mr. Flotz indicated that construction is a local business and they would hire someone from Broward or Palm Beach County. He described how they hired for their Pompano Beach garage project.

Mr. Melville clarified there are a total of 46 designated Affordable Housing units; 7 two bedrooms, 28 one bedrooms, 9 studios, and 2 townhouses.

Mr. Lewin stated there are well over 2,000 units approved and under construction just north of the tunnel in Fort Lauderdale with most of it to the east. He believed phasing the project and making it less intense may be something a little more palatable. He wanted to make sure all the proper precautions were taken as far as understanding the intensity of costs, the amount of supplies coming in, and that it is not just a one shop build. He noted that 130 units per acre is an intense shift from cost of land to the proposed project, but he was trying to balance some things.

Ms. Teague questioned how much the loan repayment was over ten years and when it would start.

Mr. Wojcik advised the loan repayment would be \$3.6 million over ten years and the repayment starts year four after the Commencement of Construction.

Chair Foderingham questioned what would happen if the City Commission did not approve the Economic Development Corporation and if the project was going to continue as West Village.

Mr. Flotz did not know.

Chair Foderingham questioned if there was a possibility to get art work, a statue, or something to depict Cannonball Adderly at that site. She also questioned if there was a wall to do a mural; something to dignify and indicate Cannonball Adderly.

Mr. Flotz thought that would be a great addition. They have been trying to find an artist who understands business who could coordinate local artists in the building. He stated the building is gigantic and places could be found; major spaces are available. He noted there were some renderings they call a Paseo between the garage and the south building.

Mr. Lewin mentioned there are 862 required parking spaces and 498 were being done. He questioned if there is a cliff note for the hefty reduction in parking requirements.

Chair Foderingham explained the code required 881 parking spaces, which would be 56.5%. She advised that the ordinance is based upon zoning requirements of the City.

Mr. Flotz indicated they are trying to participate in the City's vision of minimizing the amount of parking available, so single vehicles would be encouraged.

A representative was present on behalf of the developer and he noted the reduction was for 337 parking spaces. He noted there is a total parking requirement of 533 spaces, which includes on-street parking.

Chair Foderingham asked whoever makes the motion to consider including whether the initial disbursement should be \$2 million or \$1 million. Two motions could be done with one separating the \$12 million of funding from the approval of the land purchases.

Motion by Mr. Lewin, seconded by Mr. Lue, to approve the purchase of two CRA Lots located at 714 Sistrunk Boulevard and 526 NW 7th Terrace. **Motion** carried unanimously on the following roll call vote: (13-0)

Ayes: Lagi, Barber, Burrows, Crawford, Hooper, Lewin, Lue, Murphy, Nunziata, Quailey, Teague, Mizell, Foderingham
Nays: None

Motion by Mr. Hooper, seconded by Ms. Crawford, to approve the \$12 million in the Development Incentive Program Funds for the West Village Project at 501 NW 7th Avenue, with loan payments and rent entitlements assigned to the Northwest Progresso Flagler Heights CRA Community Economic Redevelopment Corporation to be formed by the CRA.

Mr. Lewin expressed concern and thought the project was very intense, he did not find the project very compatible with the surrounding immediate neighborhood and noted it is a very minimal threshold for workforce and Affordable Housing requirements. If so much money was going into one project on such a great site, he would like to see more thought put into the affordability of the housing units and some of the space outside being used instead of just a large apartment building.

Chair Foderingham commented this project is more intense for this area, but it is also needed and is compatible with Project 613, which is being developed down the street, so there is some degree of compatibility. Change is coming to this area and that is one of the purposes of the CRA.

Ms. Teague questioned if the motion could be amended to \$1 million.

Mr. Murphy did not have an issue with the size of the development but questioned why the CRA needed to fund \$12 million; the development should be able to stand on its own two feet. Rents are lower, but the cost of land acquisition in the neighborhood is a lot lower also. He believed \$12 million could go towards many other projects in the neighborhood that might need it more.

Chair Foderingham stated the \$12 million is 11% of the total project cost. She noted there was a list of other projects and was not sure they had as much of their own funding invested as this project.

Vice Chair Lagi mentioned some of the other projects gave more as far as real affordability of housing to the neighborhood; this did not have much beyond what was required for the additional height.

Mr. Lewin questioned what the rent per foot would be for this project.

Mr. Lue questioned what else the \$12 million could be used for to make a large impact.

Chair Foderingham believed this residential development would make a big impact. She emphasized there must be density in terms of people to drive the business end.

Ms. Nunziata commented that the biggest thing needed in this neighborhood is more affordable rent and it is not all affordable.

Ms. Barber mentioned density is always the argument to drive retail and questioned whether the density of this building was going to add to the total population of the CRA. She did not understand how 2% added to the population would transform the retail outlook of the neighborhood.

Mr. Lewin commented when a project is built and there are 500 units, if rents are slightly below Flagler Village, outsiders would live in the building and shop elsewhere. Unless there is a project that suits the needs of the people who live in the neighborhood, the project will only serve the needs of people who find this as a housing Plan B.

Ms. Crawford questioned the alternative if this project is not approved. She is struggling to see what to compare this to that might be more viable in this location.

Chair Foderingham indicated that this neighborhood could not be compared to Flagler Village or Progresso; it is a different type of neighborhood. She reiterated this type of housing was needed.

Vice Chair Lagi mentioned this is in Dorsey Riverbend and there are still a lot of active homeowners. He questioned if there have been any presentations to the surrounding neighborhood.

Mr. Flotz advised they spent 2019 talking about density, development, and making presentations to the neighborhood. The local Commission was kind enough to coordinate a meeting with Dorsey Riverbend and when they asked for a show of hands on where they stood; there was a unanimous vote of support from the neighborhood for the project as proposed. They are trying to do rents that start below \$1,000; the average rent is currently \$1,700 in Flagler Village. They would like people to have their own place to live and not be in roommate situations. They are trying to focus on the rent and make a big move, so there is a significant change in the number of people who live three and are offering people an opportunity to live like everyone on the other side of the tracks.

Mr. Lewin stated the reason he asked about the density analysis was because when looking at these projects, more is not always better, the intensity has to be less to make the project more feasible or make the request to the CRA more reasonable. Perhaps instead of 130 units per acre it becomes 90 units per acre; a couple of stories could be taken off and construction costs would be less, and the project would be more financially feasible.

Chair Foderingham commented part of the reason the developer wanted additional height was to make it more affordable.

Mr. Flotz indicated they were not going to negotiate density. He came before this Board in 2017 and it was suggested they get as many units as possible.

Mr. Lewin advised he was not trying to negotiate the density or the proposal, he was just asking if there was a density analysis.

Amended motion by Ms. Teague, seconded by Vice Chair Lagi, that the initial distribution is \$1 million in this fiscal year and the remaining \$1 million would be deferred to a subsequent year. **Motion** passed on the following roll call vote: (7-6)

Ayes: Lagi, Hooper, Nunziata, Quailey, Teague, Mizell, Foderhingham
Nays: Barber, Burrows, Crawford, Lewin, Lue, Murphy

V. Communication to CRA Board of Commissioners

NPF CRA Board

Chair Foderhingham mentioned Rebuilding Together and stated that this item would go to the CRA Board on December 17, 2019. The item relating to the development of the Economic Development Corporation will also be on December 17, 2019. She noted a status of the WAVE refund was requested.

Mr. Woods advised the WAVE refund came up during a conference meeting at which time it was suggested the City Attorney's office look into some sort of legal redress regarding the WAVE funding, which has been taken under advisement.

In response to Ms. Teague, Mr. Woods indicated that redress is possible litigation. He noted the County was looking to return a proposed amount of money, which was about \$1 million of the \$7.5 million. It was not that they did not want to return the money, but from his understanding, most of the money was spent on predevelopment processes and this is what is available.

Ms. Teague commented that it was supposed to be debt service paid yearly.

Mr. Woods stated debt service is being paid on the loan taken out in order to give the County the \$7.5 million, but the actual cash was spent on predevelopment processes.

VI. Old/New Business – None.

NPF CRA STAFF

VII. Public Comments – None.

VIII. Adjournment

There being no further business to come before the Board at this time, the meeting was adjourned at 4:12 p.m.

Any written public comments made 48 hours prior to the meeting regarding items discussed during the proceedings have been attached hereto.

[Minutes prepared by C. Guifarro, Prototype-Inc.]