LAKE WORTH COMMUNITY REDEVELOPMENT AGENCY
REGULAR MEETING
CITY OF LAKE WORTH
CONFERENCE ROOM
TUESDAY, DECEMBER 9, 2014
6:00 P.M.

I. ROLL CALL:

The Recording Secretary called the meeting to order at 6:01 p.m. on the above date in the City of Lake Worth Conference Room located at 7 North Dixie Highway, Lake Worth, Florida.

Present were CRA Members Madyln McKendry, Chip Guthrie, John Paxman, Cary Sabol, Ozzie Ona, Kim Hanson & Leah Foertsch.

Also present was CRA Director, Joan Oliva

II. PLEDGE OF ALLEGIANCE:

III. APPROVAL OF MINUTES:

a. July 22, 2014
Action: Motion was made by Ms. Hanson to approve the July 22, 2014 seconded by Mrs. Foertsch.

Vote: All Ayes

b. September 2, 2014
Action: Motion was made by Mr. Paxman to approve the September 2, 2014 seconded by Mr. Ona.

Vote: All Ayes

c. October 14, 2014
Action: Motion was made by Mr. Paxman to approve the October 14, 2014 seconded by Ms. McKendry.

Vote: All Ayes

IV. AGENDA – ADDITIONS/DELETIONS/REORDERING:

V. PUBLIC PARTICIPATION ON NON-AGENDAED ITEMS (3 minute limit):

VI. DISCUSSION AGENDA:

a. CRA Regular Meetings- Telephone Conference

Mr. David Tolces, Board Attorney, shared the staff memo presented to the City Commission regarding telephone conference during meetings.
On June 2, 2011, the City Commission considered and discussed Resolution No. 14-2011. The Commission requested that the City Attorney amend the resolution based on the

discussion but did not request any specific language changes. Based on the Commission's discussion and direction, the City Attorney has amended the proposed Resolution and now brings it back to the Commission as directed.

As a brief summary of the Florida Government-in-the-Sunshine Law, Section 286.011(1), Florida Statutes, provides that:

> All meetings of any board or commission of any state agency or authority or of any agency or authority of any county, municipal corporation, or political subdivision, except as otherwise provided in the Constitution, at which official acts are to be taken are declared to be public meetings open to the public at all times, and no resolution, rule, or formal action shall be considered binding except as taken or made at such meeting. The board or commission must provide reasonable notice of all such meetings.

One issue that has come before the City Commission on several occasions is whether or not a Commission member may participate in a Commission meeting by telephone due to a scheduling conflict, when a quorum of the Commission members are physically present at the meeting. The Attorney General's Office has issued both formal and informal opinions on this issue.

The Attorney General has given the opinion that a county commissioner who was unable to attend a county commission meeting because of medical treatment could participate in the meeting by telephone and interactive video, as long as a physical quorum was at the public meeting in a public place. AGO 92-44. The Attorney General has also given the opinion that a physically-disabled member could participate and vote in a board meeting that the board member was unable to attend, as long as a physical quorum was present at the meeting place. AGO 02-82. More recently, the Attorney General has again reiterate this opinion that the Government-in-the-Sunshine Law is complied with when there is a quorum of the board physically present at the meeting location and an absent member participates by telephone where the member is absent due to illness or a serious medical condition. AGO 2003-41. The Attorney General has been willing to characterize the participation of an absent board member by telephone conference or other interactive electronic technology as permissible when the absence is due to extraordinary circumstances such as illness and a serious medical condition. In AGO 2003-41, the Attorney General specifically stated:

> Accordingly, it is my opinion that where a rule or statute contemplates that a meeting will be held in a public place with the members physically present, the participation of an absent member in the meeting by telephone conference should be permitted only in extraordinary circumstances and when a quorum of the board members is physically present at the meeting. Whether the absence of a member due to a scheduling conflict constitutes such a circumstance is a determination that must be made in the good judgment of the board.

Thus, what constitutes extraordinary circumstances beyond a serious illness must be determined by the City Commission in its good judgment. The Commission has requested this Office to bring this issue back for its consideration as part of its rules and procedures. Therefore, please find attached Resolution 2011-14 for your consideration. The extraordinary circumstances that are set out in the amended proposed resolution are the following:

1. Serious illness;
2. Out of Palm Beach County due to the death or serious illness of a family member;

3. Once a year only, out of Palm Beach County due to unforeseen job or work emergencies; and
4. Out of Palm Beach County due to attendance at a conference, where such attendance has been approved by the City Commission,

provided that no more than one (1) member of the City Commission may so participate in any City Commission meeting.

The City Manager and the City Attorney have reviewed this matter and recommend that it is the better policy practice and policy for the Commission that the Commission define "extraordinary circumstances" for approved member participation by telephone conference when absent from a Commission meeting to be only for the circumstances of serious personal illnesses and being out of Palm Beach County due to the death or serious illness of a family member.

VII. ACTION AGENDA:

a. La Joya- Approve Restated Subordination Agreement

La Joya, the 55 unit, apartment complex by La Joya Villages, Ltd began construction in January 2014 and will soon be completed. This project was partially funded through the CRA with NSP-2 monies from the federal government. As with many large-scale projects, funding was needed from various sources, including both private and public resources. Although the project is receiving the majority of its funds from bonds issued by the Housing Finance Authority of Palm Beach County, La Joya also received financing from the CRA, Housing Partnership, Inc., and Nationwide Capital, LLC., and Palm Beach County.

In April, the CRA subordinated their interests and took fourth position behind U.S. National Bank, Community and Southern Bank and the County. HPI and Nationwide took fifth and sixth positions respectfully. In the Amended and Restated Subordination Agreement (Exhibit "A"), the CRA will retain its fourth position; however, Realtex Development Southeast will have fifth lien position in place of Nationwide Mortgage. HPI will remain in sixth position. Funding from Realtex Development Southeast is provided through an Affordable Housing Program grant. With respect to the Debt Subordination Agreement, this is a document provided by Palm Beach County which maintains the County's position with respect to its funding for the La Joya project.

Staff recommended the Board approve both the Amended and Restated Subordination Agreement between U.S. Bank National Association, Community and Southern Bank, Palm Beach County, Realtex Development Southeast, LLC, Housing Partnership, Inc. the Lake Worth Community Redevelopment Agency, and La Joya Villages, Ltd., and the Debt Subordination Agreement between Palm Beach County, Housing Partnership, Inc., Realtex Development Southeast, LLC, the Lake Worth Community Redevelopment Agency, and La Joya Villages, Ltd.

Action: Motion was made by Mr. Paxman to approve both the Amended and Restated Subordination Agreement between U.S. Bank National Association, Community and Southern Bank, Palm Beach County, Realtex Development Southeast, LLC, Housing Partnership, Inc. the Lake Worth Community Redevelopment Agency, and La Joya Villages, Ltd., and the Debt Subordination Agreement between Palm Beach County, Housing Partnership, Inc., Realtex Development Southeast, LLC, the Lake Worth Community Redevelopment Agency, and La Joya Villages, Ltd. Seconded by Mr. Guthrie.
Vote: All Ayes

b. La Joya- Approve Restated Debt Subordination Agreement
See Action Item VII.a.

c. Agreement for CRA Small Business Loan Fund
Last month, the CRA began talks with Neighborhood Lending Partners (NLP) of West Florida in regards to the creation of a small and medium size business lending program. These talks were precipitated after speaking with several lending institutions in the Lake Worth area about business loans, many of whom participate and help fund NLP's business lending program.

Neighborhood Lending Partners is a multi-bank lending consortium that provides money to help fund community revitalization efforts. It is a Community Development Financial Institution[1] (CDFI) and a Community Development Entity[2] (CDE) and is a not-for-profit 501c3. The organization serves North, South and West Florida with the West Florida affiliate serving as the organizations headquarters. NLP offers services and programs to incentivize the private sector in investing in affordable housing and community revitalization.

Establishment of the program will provide loans (a minimum of $50K) to small and medium size businesses wishing to start, relocate or expand within the CRA boundaries. The initial investment to be provided by the CRA is $150K. These funds will be matched dollar for dollar by NLP. Funds will be renewed by both agencies every year for three years, establishing, at a minimum, a $600K program. As funds are repaid by the borrower, they are returned to the program creating a revolving fund that has the potential to expand business resources within the District.

As discussed at the previous CRA meeting, a loan approval committee will be created and will contain one CRA Board member and the CRA Director. Recommendations will be provided by the underwriting team from NLP but the committee has final decision making powers. If the committee does not recommend funding a business but the CRA sees merit in the businesses application, the CRA will have the authority to approve the transaction and funds will be provided by the CRA exclusively.

NLP will administer a technical assistance program which will be funded by both NLP and the CRA. The CRA is responsible for issuing an RFP to establish a pool of specialty advisors. NLP will then work with the CRA to select one or two providers. The goal is to provide entrepreneurs and small businesses with the tools they need to be successful and also to help protect our investment. The CRA will approve referrals to the advisors and also assist with the marketing and promotion of the program. Interest paid by the borrower will pay for the operation, monitoring and reporting of the fund. Once expenses are paid, any remaining interest income will be shared between the two agencies.

NLP agrees to comply with CRA insurance and indemnity provisions and shall maintain all records required by Florida State Statutes. The CRA will receive regular reports from NLP and an annual financial report.

Staff recommended the Board authorize the Chair to sign the agreement between Neighborhood Lending Partners of West Florida and the CRA and appoint a Board member to the loan committee. Furthermore, Staff also recommended the Board approve the movement of $150K from fund balance to our operating budget line item – economic development.

Action: Motion was made by Mr. Paxman to authorize the Chair to execute the agreement with Department of Cultural Affairs for the cultural facilities grant in the amount of

$150K seconded by Mrs. Foertsch.

Vote: All Ayes

VIII. EXECUTIVE DIRECTORS' REPORT:

a. Holiday Tree Lighting Ceremony- December 12th

b. Update on NSP Housing Projects

Below is an update regarding the status of properties recently purchased through the NSP-2 Grant Program:

CRA Owned Properties:

- **113 South D Street** – No plans to build at this time. Vacant 50' x 135' property.
- **318 North D Street** – New single family home built. This house in the process of being sold to a beneficiary by end of year.
- **127 South J Street** – Single family home to be built at this site. Construction trades are currently being bid out. New construction to begin early 2015. To be completed by the fall of 2015.
- **231 North H Street** – Buildings burned for training purposes in November 2014. Land to be cleared in December 2014. Habitat has assigned this property to a beneficiary.
- **110 North F Street (City Owned Property; fka: *The Health Dept. Building*)** – Building to be demolished by December 25, 2014. Property to be land-banked for future redevelopment.
- **1220 Lake Ave.** - Land-Banked Property
- **1215 Lucerne Ave. -** Land-Banked Property
- **1209 Lucerne Ave.** - Land-Banked Property
- **127 South F Street** - Land-Banked Property
- **1310 Lake Ave.** - Land-Banked Property
- **1401/1407 Lucerne Ave.** - Land-Banked Property
- **124 North H Street** - Land-Banked Property

Habitat for Humanity Owned Properties:

- **226 South C Street** – Single family home currently under construction by Habitat
- **413 South D Street** – Single family home currently under construction by Habitat
- **126 North D Street** – Property cleared. Ownership transferred to Habitat in September 2014. New construction of a single family home to begin in early 2015.
- **212 South C Street** – Single family home currently under construction by Habitat
- **207 South D Street** – New single family home built and is to be dedicated to a beneficiary on December 16th.

IX. BOARD MEMBERS' COMMENTS:

Leah Foertsch- Happy to hear that we offering small business initiatives. Congratulated the CRA on receiving the grant.
Chip Guthrie- Asked staff about incentivizing lots on the west end of Dixie that are located in between the CRA's land banked properties.
Madlyn McKendry- Happy to hear that La Joya is full rented.
John Paxman- Great job at getting grants.
Ozzie Ona- Beginning to work with Staff to bring back the NET team. Stated that the mural located on the shuffleboard building is fantastic.
Kim Hanson- Echoed Mr. Ona's comments.
Cary Sabol- No comment.

X. ADJOURNMENT:

Meeting adjourned at 7:03 p.m.

Minutes Approved 04.14.15

Cary Sabol
Chair, CRA Board

Emilia Theodossakos
Recording Secretary