

**LAKE WORTH COMMUNITY REDEVELOPMENT AGENCY  
REGULAR MEETING  
CITY OF LAKE WORTH  
CONFERENCE ROOM  
TUESDAY, APRIL 14, 2015  
6:00 P.M.**

**I. ROLL CALL:**

The Recording Secretary called the meeting to order at 6:00 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 Oswaldo Ona, John Paxman, Cary Sabol & Leah Foertsch.

Also present was CRA Director, Joan Oliva  
Ms. Madlyn McKendry arrives at 6:30 pm.

**II. PLEDGE OF ALLEGIANCE:**

**III. AGENDA – ADDITIONS/DELETIONS/REORDERING:**

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

**V. APPROVAL OF MINUTES:**

**a. December 9, 2014**

**Action:** Motion was made by Mr. Paxman to approve the December 9, 2014 minutes seconded by Ms. Foertsch.

**Vote:** All Ayes

**b. January 13, 2015**

**Action:** Motion was made by Mr. Paxman to approve the January 13, 2015 minutes with a minor change to item VI. b. requested by Ms. McKendry seconded by Ms. Foertsch.

**Vote:** All Ayes

**c. February 10, 2015**

**Action:** Motion was made by Mr. Paxman to approve the February 10, 2015 minutes seconded by Mr. Ona.

**Vote:** All Ayes

**VI. CONSENT AGENDA:**

- a. 5<sup>TH</sup> Avenue South Bikeway-Design & Engineering Agreement with Kimley Horn
- b. 1121 Lucerne Avenue- Approve Lease with City of Lake Worth
- c. 1121 Lucerne Avenue- Approve contract with Stuart & Shelby
- d. 1000 Lake Avenue- Execute Contract for Interior Renovation Work

**Action:** Motion was made by Ms. Foertsch to approve the consent agenda seconded by Mr. Ona.

**Vote:** All Ayes

## VII. ACTION AGENDA:

### a. **Business Loan Program- Approve Agreement with Paragon FL for Tech Assistance**

At the December 9, 2014 CRA Regular Meeting, the Board approved an agreement between Neighborhood Lending Partners and the CRA to provide small business loans. The program allows small businesses within the CRA district to apply for loans that range from \$50-500K for permanent working capital, acquisition, equipment and business expansion. As part of the overall program, technical assistance will be provided to those businesses that need help with the loan application and the necessary components. 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 initial investment provided by the CRA is \$150K. These funds are 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.

The CRA will administer the technical assistance program which will be funded by the CRA. The detailed scope of work in the RFP included:

- Public relations and targeted advertising to identify and attract prospective businesses to the CRA district
- Provide one-on-one business counseling and related assistance
- Assistance with business plans, budgeting and book-keeping
- Provide advice on start-ups, finance and legal issues and advice with branding, marketing, sales, pricing strategies and applicable and available technologies
- Provide counseling and technical assistance to applicants as required, improving the quality of the applicant's submission. These services may include business plan review, market feasibility analysis, deal structuring and other document submission requirements
- Assistance with small businesses in completing NLP's "Preliminary Application for Small Businesses" and gather documentation to support the application for funding
- Assistance for applicants in completing any specific forms provided (or webpage links to such forms) that may be required for the particular loan program and assemble any supporting documentation
- Submission of a preliminary loan file to NLP containing the executed and complete application and copies of all deliverables specified for the loan program

The CRA issued RFP #01-2015 on January 6, 2015 and received four responses. A selection committee including CRA and City Staff and Commissioner Paxman met on March 3, 2015 to evaluate the proposals. The Committee ranked Paragon Florida, Inc. from West Palm Beach the highest and recommended Staff draft an agreement with Paragon for Board approval.

The CRA will approve referrals to the chosen technical assistance providers. Goals of this Program include, supporting Lake Worth businesses, increasing the economic vitality and stability in the community, securing new or increased financing for growth and creating and/or retaining jobs.

**Action:** Motion was made by Mr. Paxman to approve the agreement with Paragon FL for technical assistance seconded by Mr. Ona.

**Vote:** All Ayes

### b. **NSP- Approve P&S and Development Agreement for 124 North H** This item was re-ordered to Action Item VII.e.

**c. b. NSP- Approve MOU with Neighborhood Renaissance**

On February 11, 2010, the Lake Worth NSP2 Consortium, composed of the Lake Worth CRA as the lead entity, along with twenty-one partner agencies, was awarded \$23.2M in Neighborhood Stabilization Program 2 (NSP-2) funds, administered by the Department of Housing and Urban Development (HUD) under the American Recovery and Reinvestment Act (ARRA) of 2009. Our main development partners included Habitat for Humanity and Adopt-a-Family of the Palm Beaches. Along with the CRA, the Consortium built 165 new or rehabilitated housing units in the CRA district. Twelve of the units are artist-live work lofts, built on Lake and Lucerne Avenues, in the heart of both the redevelopment district and the Arts and Design District. The production and sale of these unique and popular units exceeded our initial expectations. Not only were they popular and conducive for working artists, they also helped bring a mix of talented people to our downtown area who contribute to our redevelopment efforts that focus on highlighting local talent along with arts and culture.

Spending \$23M within the three year deadline following all the specific rules and regulations was an enormous task. Although some partners were responsible for more than others, it took every partner we had to make the project the big success that it is. As we wind down our efforts and look forward to project close-out later this year, we still have the ability to add one significant last project to our portfolio. However, this would require a new partner to be brought into the Consortium. Unlike most changes to the Action Plan, which can be quite cumbersome, adding a new non-profit developer is a relatively easy process. It includes the completion of some HUD paperwork and the signing of a Memorandum-of-Understanding with the new entity.

Neighborhood Renaissance (NR) and the CRA have been looking for ways to partner together to provide more safe, new or rehabilitated, residential units to the District. Since most of the properties the CRA purchased were already developed by our existing partners, we waited for an opportunity. With the hopes that more artist housing could be built and the finalization of the agreement with the City for 110 North "F" Street, the CRA and NR discussed the possibility of developing "West Village," the next Urban Arts Lofts development.

Neighborhood Renaissance, established twenty-three (23) years ago as a non-profit community-based organization dedicated to building and supporting diverse communities and strong economies in Palm Beach County. They have developed numerous affordable housing units, manage rental properties and provide housing and credit counseling. They are recognized for their positive work and the possibility to complete a new housing development with them as partners is very exciting.

There are many steps involved before moving forward. These include the transfer of the property from the City to the CRA, an agreement being approved by the CRA and NR, plans drawn and the securing of financing. Staff requested that the Board approve the Memorandum of Understanding between the CRA and Neighborhood Renaissance Inc. for the Neighborhood Stabilization Program.

Mr. Michael Pecars, President of Neighborhood Renaissance was also present to answer any of the Board's questions.

**Action:** Motion was made by Mr. Paxman to approve MOU with Neighborrhood Renaissance seconded by Ms. Foertsch.

**Vote:** All Ayes

**d. c. Chase Financial- Approve Resolution #15-03**

In 2010, the CRA entered into a memorandum of understanding with National Community Stabilization Trust (NCST). NCST acted as an intermediary between the banks and Neighborhood Stabilization Program (NSP) recipients. NCST is funded by the federal government, foundations and a multitude of banking institutions and allows community revitalization and housing agencies a "first-look" at available properties. The CRA was able to purchase many properties due to our relationship with NCST. Foreclosed, abandoned and no-cost properties were offered to the CRA before any other entity or person was able to view or bid on them. NCST brokered the price with the bank so properties were offered to the CRA for below market rate.

The opportunity has come to us to engage another financial institution in a similar program. Chase Community Foundation is now offering the Chase Community Revitalization Program (CCRP). This program allows the CRA to receive lists from the Chase Donation Property list and the Chase Discount Sale Property list in the target area before anyone else in the market can view the information. The foundation offers the CRA a 6-12% discount from the current reconciled market value (RMV). Property values are capped at \$350K for sales and \$50K for donations.

Organizations receiving offers and donations must abide by the guidelines, similar to the ones used in the NSP program. These include:

- The sale of acquired properties must be to buyers with incomes of 120% or less of AMI and be owner occupied.
- Title of the property must remain in your organization's name until sold to new homeowner.
- Property should be rehabbed and back on the market within 4-6 months of taking ownership.
- Properties can be used for rental and lease opportunities for persons with incomes of 120% or less of AMI.
- Must complete and return the attached CCRP Final Property Outcome Form once property has been sold to a new homebuyer.

Although the NSP program is winding down, the CRA still has a significant interest in purchasing and revitalizing foreclosed and abandoned properties in the district. Therefore, Staff seeks the Board's approval to participate in the program and to authorize the Executive Director, the Chair and Vice Chair to execute any necessary paperwork.

Staff requests the Board execute Resolution number 2015-03 to allow the CRA to participate in the CCRP and for the CRA Board to authorize no less than two of the following three individuals, the CRA Executive Director, the CRA Chair, and the CRA Vice Chair to execute any and all documents necessary to fulfill the CRA's obligations pursuant to the CCRP, including the Purchase and Sale Agreements, closing statements, and any other documents that are necessary to proceed to close on the respective property acquisitions in a manner consistent with the CCRP.

**Action:** Motion was made by Ms. McKendry to approve MOU with Neighborhood Renaissance seconded by Mr. Ona.

**Vote:** All Ayes

#### **✓ d. Retail Feasibility and Business Recruitment Plan- Appoint Board Member**

On February 20, 2015, the CRA issued a Request for Proposals (RFP) for a Retail Feasibility, Strategic Planning and Business Recruitment Plan. The goal is to complete an assessment of Dixie Highway corridor's current economic market and climate, to project its future business development potential, to analyze market sectors and shares, describe business types most appropriate for various areas and to identify opportunity sites for new business creation.

Output must include:

- A comprehensive market and retail feasibility study and gap analysis
- Development of a business strategy plan for the City – Dixie Highway in particular
- Retail analysis and strategic leasing plan
- Identification of prospects
- Execution of business leasing strategic plan

Responses for the RFP were received on March 27, 2015. The CRA will be assembling City and CRA Staff to review the three submittals. As with other RFP proposals, we would like to include a CRA Board member on the Committee.

Staff recommended the Board recognize a member of the Board interested in serving on the Retail Feasibility

and Business Recruitment RFP Committee and vote to include the member they feel is most appropriate.

**Action:** Motion was made by Ms. McKendry to appoint Mr. John Paxman as the CRA's retail feasibility and business recruitment committee member seconded by Ms. Foertsch.

**Vote:** All Ayes

**b. e. NSP- Approve P&S and Development Agreement for 124 North H**

Under the approved Action Plan in the NSP-2 application, the Lake Worth Consortium is responsible for the acquisition, rehabilitation and construction of 100 housing units. To date, the CRA and its partners exceeded the original goal and delivered 165 units. Many more are in the planning or development stage. During the program, CRA was responsible for the purchase of all foreclosed and/or abandoned properties that fit the guidelines within the target area. Along with the responsibility of acquisition comes the need for Tier II environmental, State Housing and Preservation Office letters of inquiry, lead and asbestos testing, the clearing of title and any code fines, ordering surveys and appraisals, creating files and the reporting of all activities in the federal on-line system. In addition to foreclosed and abandoned properties, the CRA was able to accept donated properties from the City and from financial institutions. In March 2014, Wells Fargo offered to donate 124 North "H" Street to the CRA. The CRA accepted the donation and paid closing costs totaling \$4200 from the NSP fund.

The site was raw land, surrounded by many other parcels, also undeveloped and owned by a myriad of title owners. The CRA closed on the land on March 21, 2014. Staff completed the necessary reviews and followed the required acquisition rules. The parcel was advertised, as required for disposition, on October 29, 2014 and proposals were accepted by the CRA for a thirty (30) day period. On November 26, 2014, the CRA received a letter and proposal from Stateside Capital.

In October 2013, the Department of Housing and Urban Development changed some of the eligible activities for NSP grantees. The Notice states that "Grantees may now use economic development activities to fulfill a LMMI (low-to-moderate median income) objective by creating or retaining jobs (Federal Register/Vol.77, No228)." This change allows NSP grant recipients to use properties that were purchased with NSP funds to be used not only for affordable housing but to also benefit low and moderate income areas. Specifically when NSP funds are used to purchase a property, the eventual development of the property must either create or retain jobs.

The proposal from Stateside Partners LLC. includes a large parcel, 127 North Dixie, that was purchased by Stateside in July 2014. It also includes parcels that were later acquired by Stateside, including 120 North "H" and 128 North "H." Over time the CRA lot has become an integral piece of this property assemblage. The properties now owned by Stateside give the CRA an incredible opportunity to contribute both towards a much-needed development on Dixie Highway but also a NSP National Objective.

The goal of the NSP program was to alleviate the City of foreclosed and abandoned properties and provide much needed decent, affordable safe housing. The change in the disposition rules gives the CRA an opportunity to not only redevelop a vacant, underutilized site in our downtown area but also provide jobs, goods and services to the local community. Development of this site addresses many of the goals and objectives in the CRA's Redevelopment Plan including:

- Elimination of slum and blighted conditions
- Consolidation of small parcels into parcels of adequate size to encourage stable growth
- Increase the tax base to generate additional revenue for municipal services
- Elimination of conditions that decrease property values
- Facilitation of new investment in the redevelopment district
- Encouragement of housing opportunities
- Establishment of a safe, functional and aesthetically pleasing community environment

Several meetings have taken place between the proposer and both CRA and City Staff to refine the site plan and discuss considered uses. Although market realities, available financing and the property owner will determine the ultimate use of the property, the CRA can help encourage compatible, sustainable development.

To that end, CRA Staff and our Attorney, David Tolces, working with Stateside, drafted a purchase and sale and a development agreement (to be signed at closing) for Board review. The agreement gives the proposer time to refine plans, determine the best use for the property and to secure financing. The highlights of the agreement include:

- Seller has the right to approve the design of the project
- Purchaser has two years to obtain a Certificate of Occupancy after the closing date
- In the case of non-performance by Stateside, the property will revert back to the CRA or Stateside will pay the CRA appraised value for the parcel

Both the proposer and the Staff, both at the City and CRA, recognize the importance and potential this redevelopment site offers and will work together with the architect to ensure good design and aesthetics.

Staff requested the Board approve both the purchase and sale and the development agreement between Stateside Capital LLC. and the CRA. Staff stated as the project moves forward Staff will update the Board on progress and milestones reached.

**Action:** Motion was made by Mr. Paxman to approve the purchase and sale agreement and the development agreement between Stateside Capital LLC and the Lake Worth CRA seconded by Ms. Foertsch.

**Vote:** All Ayes

**VIII. EXECUTIVE DIRECTORS' REPORT:**

- a. Power2Give
- b. Upcoming Workshop 4/28

**IX. BOARD MEMBERS' COMMENTS:**

**Ozzie Ona-** Stated that we have a lot of activities at the CRA. It's important to participate in some of the CRA activities other than just attending the monthly Board Meetings.

**Leah Foertsch-** No comment.

**Madyln McKendry-** No comment.

**John Paxman-**No comment.

**Cary Sabol-** No comment.

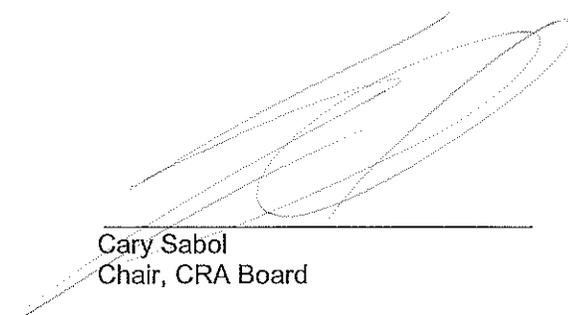
**X. ADJOURNMENT:**

Meeting adjourned at 7:31 p.m.

Minutes Approved 5/11/15



Emily Theodossakos  
Recording Secretary

  
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Cary Sabol  
Chair, CRA Board