

**FINAL**  
**MINUTES**  
**NORTHWEST PROGRESSO – FLAGLER HEIGHTS**  
**REDEVELOPMENT ADVISORY BOARD**  
**FORT LAUDERDALE**  
**100 NORTH ANDREWS AVENUE**  
**8<sup>TH</sup> FLOOR CONFERENCE ROOM**  
**JULY 15, 2009 – 3:30 P.M.**

| <b><u>Members Present</u></b> | <b><u>Attendance</u></b> | <b>Cumulative Attendance</b> |                      |
|-------------------------------|--------------------------|------------------------------|----------------------|
|                               |                          | <b><u>Present</u></b>        | <b><u>Absent</u></b> |
| Michael Ferber, Chair         | P                        | 3                            | 0                    |
| Ella Phillips, Vice Chair     | P                        | 3                            | 0                    |
| Phyllis Berry                 | P                        | 3                            | 0                    |
| James Brady                   | P                        | 2                            | 1                    |
| Ron Centamore                 | P                        | 3                            | 0                    |
| Mickey Hinton                 | P                        | 2                            | 1                    |
| Bradley Hubert                | P                        | 2                            | 1                    |
| Doug Sterner                  | A                        | 2                            | 1                    |
| Clare Vickery                 | A                        | 0                            | 3                    |
| Alan Gabriel                  | P                        | 3                            | 0                    |
| Jerry Heniser (Arr. 3:45)     | P                        | 3                            | 0                    |
| Samuel Williams (Arr. 3:41)   | P                        | 3                            | 0                    |
| Jesse Adderley                | A                        | 2                            | 1                    |
| Steve Lucas                   | P                        | 2                            | 0                    |
| John Wilkes                   | P                        | 2                            | 0                    |

**Staff**

Alfred Battle, CRA Director  
Sandra Doughlin, Secretary  
Jennifer Picinich, Recording Clerk, Prototype, Inc.

**I. Call to Order/Roll Call**

The meeting was called to order at 3:39 p.m. by Chair Ferber. As of this date there were fifteen appointed members to the Committee, which means eight would constitute a quorum. Following a roll call it was determined that a quorum was present.

**Communications to City Commission**

None at this time.

**II. Funding Request – Carlisle Development/Fort Lauderdale Housing Authority**

Chair Ferber reminded the Board members presentations were previously provided regarding the funding request. Mr. Stephen Tilbrook, attorney for Shutts & Bowen, LLP, introduced the following team members:

- Tam English, Executive Director, Housing Authority of the City of Fort Lauderdale
- Matt Greer, CEO, Carlisle Development Group
- Ken Naylor, Carlisle Development
- Scott Strawbridge, Director of Development and Facilities, Housing Authority of Fort Lauderdale
- Chandler Williamson, Director of Community Relations, Housing Authority of Fort Lauderdale

Mr. Tilbrook provided a brief overview of activities in the Northwest area of downtown being worked with the Housing Authority. Mr. Tilbrook advised the Dixie Court redevelopment was about halfway completed. Using provided maps, Mr. Tilbrook demonstrated the area currently being discussed was between Sistrunk Boulevard, Sunrise Boulevard, and west of the railroad tracks. Mr. Tilbrook pointed out the Housing Authority was the largest land owner in the area, and very little redevelopment was accomplished since the creation of the CRA. The current plan would bring significant dollars and hundreds of new units to the area.

Mr. English explained the Housing Authority was a government entity established by the City of Fort Lauderdale in 1938. The fiduciary duty of the Housing Authority was to the taxpayers and to the City, and catered to lower income residents, and six of the ten Housing Authority sites were located in the CRA, and five of the six sites within the CRA were planned for redevelopment at some point in time.

Mr. English explained in addition to housing, the Housing Authority provided job training programs, rehabilitation of foreclosed houses and apartment buildings, "green" jobs, and apprenticeship programs for at risk children.

Mr. English provided a map of Housing Authority properties and explained Dixie Court, taking up eleven acres, was originally built in 1938. Sistrunk Gardens contained 38 units, and was built in the mid-70s. Northwest Gardens was the next anticipated project to be completed in phases. Mr. English provided photographs demonstrating the various properties.

Mr. English provided Carlisle Development was a fee developer with the planning, regulatory, and financing expertise needed to complete the redevelopment projects. Mr. English introduced Matt Greer, CEO of Carlisle Development. Mr. Greer provided a brief history of the relationship between Carlisle Development and the Housing

Authority. Mr. Greer pointed out Dixie Court was state of the art new housing, quality construction, extremely low rent that would serve a diverse community. The project would be owned, controlled, and managed by the Housing Authority.

Mr. Greer advised the project would bring properties onto the tax rolls, bring five hundred new construction jobs into Fort Lauderdale, bring long term jobs, and bring taxes into the City.

Mr. Greer laid out the program being offered at Dixie Court, and demonstrated the \$2.5 million funding request would result in over \$5 million in tax payments, providing a great return on the initial investment.

Mr. Tilbrook recapped the funding request for a TIF refund for a period of fifteen years. The refund was approximately eighty percent of the TIF revenue on an annual basis. Mr. Tilbrook noted tax credit financing for Northwest Gardens was already approved, and building permits on the rehab portion of the work was obtained. Historically the applicant was rewarded one tax credit deal per year from the State of Florida, with the commitment to bring new units to the Northwest CRA in each of the four phases. Eventually there would be about seven hundred new units between Sistrunk and Sunset Boulevards, in the section of the CRA that has not seen investment to date.

Mr. Tilbrook asked the Board to look to the future, consider the specific details provided, and take this unique opportunity to invest in future projects.

Chair Ferber called for specific questions from the Board members. Mr. Brady asked how increasing the density of poverty would not beg the creation of a ghetto.

Mr. Greer stated the developer was building throughout the state, working more and more with Housing Authorities. The funding dollars from HUD and the way the funding was tied was much more targeted at the low end of the income spectrum. Mr. Greer pointed out public housing, in many cases, had become the "housing of last resort" for the community.

Mr. Greer explained the tax credit housing would serve people in higher income groups, with only a small portion set aside specifically for the lowest income groups. Mr. Greer noted although there would be a little more density, the development was put together much more thoughtfully to serve a much higher end demographic who are actually willing to live there. Mr. Greer emphasized there would be ongoing security and strict eviction rules, and pointed out residents would not be allowed with a criminal record. The development would not be run as a public entity, but in partnership with the private sector.

Mr. Williams noted the reality of the current situation in Fort Lauderdale would not change anytime soon, and with the unemployment rates, the low income residents had to live somewhere. Mr. Williams noted there were still questions about the structuring of the project, but felt the new development style was definitely a plus and a definite asset to the community. Mr. Williams continued, stating the philosophical disagreements about public versus private would not be solved, and felt the development would be decent, well-managed, and up-to-date.

Mr. Centamore asked how much TIF money would come back to the CRA. Mr. Tilbrook projected approximately two hundred and fifty thousand dollars per year for this particular project. Mr. Battle clarified the calculation of TIF money by one of two methods, either the value of the construction cost on a particular project, or in the case of an apartment complex, a per unit value would be used. Mr. Battle agreed with Mr. Tilbrook regarding the estimated two hundred and fifty thousand dollars per year.

Mr. Hubert, referring to Carlisle's May 7, 2009 letter of request, asked if Carlisle was requesting a reimbursement or a payout for the land in the deal. Mr. Greer answered, consistent with all the projects worked on with Housing Authority partners, HUD would have a mortgage or a declaration of trust on the property. Since Federal funds were invested, generally HUD wanted to see a just value for the site. The Housing Authority was proposing to essentially transfer the project to a public/private limited partnership, owned in part by the Housing Authority and controlled by the Wall Street equity investment. Mr. Greer noted the for this particular project, the price contributed was only a quarter of the appraised value.

Mr. Greer noted in the current market a lender would not loan money for a Housing Authority site where there was a HUD declaration of trust, and HUD would not release the declaration of trust. Mr. Greer pointed out the Housing Authority was taking a visionary approach by becoming the venture capital source to get the project going. The CRA funding would allow the Housing Authority to get a repayment of their venture capital with no interest, to then reinvest in the next CRA project at no interest.

Mr. Williams asked about the future for tax credit equities. Mr. Greer explained the market rate interest in these projects had pulled back dramatically. Mr. Greer noted the market for tax credits was a very efficient market, run by Wall Street, and all major banks participated in the bidding. Mr. Greer advised the demand for tax credits had dropped dramatically, causing the financing gaps. The current Administration was not willing to see the tax credit disappear due to the market drying up, which was why the projects could still go forward.

Mr. Greer projected in the next few years banks would loan less money at higher interest rates, tax credits would cost more to sell, and would require longer personal guarantees and longer operating deficit guarantees. Mr. Williams asked if Mr. Greer felt Carlisle would be impacted to a point where they could not move forward to complete the proposed developments due to the reduction in the tax credits. Mr. Greer assured the Board Carlisle would not be impacted in that area.

Mr. Lucas expressed the concern regarding the “after the fact” request and the precedent created to cover losses for “blown business assumptions.” Mr. Lucas noted typically a company would come to the CRA before the project started, and no commitment was given to fill gaps later. Mr. Lucas also stated an independent third-party would typically be obtained to perform a market study to verify values and rates, which was not done in this case. Mr. Lucas felt the Board was being asked to establish a fair amount, and asked for the real value of the new construction.

Chair Ferber interjected and noted the dollar amounts were hypothetical, and pointed out the request was asking the CRA to agree to a percentage ( a “not to exceed number”) based on dollars which could turn out to be a lower assessed valuation. Mr. Greer agreed, and pointed out the CRA commitment could only float down, not up. Mr. Tilbrook stated, based upon experience with other tax credit projects in Broward County, the TIF portion of the taxes would be approximately one thousand fifty dollars per year per unit.

Mr. Lucas pointed out in the earlier discussion regarding the valuation Carlisle did not include the income approach. There followed a brief discussion regarding the income approach of calculating the value. Mr. Lucas felt compared to other deals the requested amounts were too high. Chair Ferber pointed out all the battles fought over the years, some broke even while some allowed for significant money coming in compared to the funds provided. Chair Ferber felt a philosophical discussion amongst member of the Board could happen regarding how best to allocate dollars.

Mr. Lucas pointed out in the current environment the project was a very profitable deal for the developer, with approximately six million dollars collected in fees. Mr. Lucas felt the funding request was laid out to appear the funding gaps could only be filled the way they were presented, while actually a lot of other companies would be happy to do the work, and maybe there were other options. Mr. Lucas did not feel the problem, caused by poor assumptions in construction costs, should be laid on the community. Mr. Lucas felt the objective of the CRA was to invest in new projects where everything was known up front.

Mr. Wilkes asked if the application was actually a request for tax abatement. Mr. Greer confirmed it was. Mr. Wilkes asked what percentage of the taxes would go to the City of Fort Lauderdale. Mr. Battle answered twenty percent. There followed a discussion regarding which taxing district monies would come to the CRA.

In response to questions by Mr. Wilkes, Mr. Greer stated the State, through a competitive process, allocated the partnership a certain number of tax credits, and the equity would be set when the partnership was closed and construction was commenced. Mr. Wilkes asked if the agreement was already reached for this project. Mr. Greer confirmed it was, and the money was already invested. Mr. Greer explained the money was paid back by the property being maintained by the Housing Authority as affordable housing as opposed to condos or offices over a long period of time.

Chair Ferber opened a discussion with the Board members regarding evaluation of the request in terms of whether or not the project furthered the goals of the agency. Chair Ferber commented although the physical improvements were obvious, the history of the area was troubling in that the project could be “more of the same poison” from the 1930s, and raised the philosophical question regarding whether or not the community was helped by the creation of the Housing Authority. Chair Ferber explained there certainly was a desire to be supportive, however these “hybrid arrangements” could potentially prove to be a problem in the future.

Mr. Hinton provided a personal history of living in the Dixie Court development in the late ‘30s to the ‘50s. Mr. Hinton felt the funding was a positive thing that would bring needed changes to the neighborhood. Chair Ferber understood Mr. Hinton’s points, however in looking at the history of the Northwest area, there was once thriving retail, then fell into decades of decay, the people who could afford to move out did, which brought about the decline destroying the retail on Sistrunk Boulevard.

Chair Ferber pointed out this project was not “starting with a blank slate,” and the Chair felt conflicted regarding the stated plan of the CRA. The project would eliminate blight, and make it easier to build single family housing, however the public/private partnership and the usage of tax credits becomes a challenge.

Mr. Williams concurred on many of the previous points made, but felt the opportunity to improve conditions was not a “disincentive” for improvement in the area. Mr. Williams point out some of the families rotating out were buying single family homes and got their start in the CRA areas. Mr. Williams felt societal problems could not be solved by the Board members, and a decision needed to be made whether or not to operate in a community providing the best standard of housing available for as many people as possible. Mr. Williams felt the immediate concern was whether the Board wanted Dixie

Court to continue to look like the same, or to provide decent, well-managed, affordable housing, providing people the ability to rotate out and up into society.

Mr. Centamore advised the housing would not go away, and redeveloping the units provided an incentive for other areas to improve. Mr. Centamore also pointed out even with the dollars going to the developer, there would still be dollars coming to the CRA from the tax rolls. Chair Ferber noted ultimately the CRA would sunset, then the City would become the beneficiary. Mr. Centamore felt it would be better to have nice looking housing with some tax money coming in as opposed to the current conditions.

Ms. Berry noted the project was a good deal for the developer, but asked if it was a good deal for the CRA. Ms. Berry looked to Staff to provide the best recommendation, and asked the Executive Director to explain the reasons for the recommendation. Chair Ferber agreed Staff should help guide the decision making process.

Ms. Phillips advised she lived in Dorsey Riverbend, and expressed concern regarding the future of the blighted areas. Ms. Phillips agreed the concerns were major, and also requested guidance from the Director.

Mr. Gabriel felt there was consensus around the proposed development providing an improvement over the existing condition. Mr. Gabriel pointed out the question then becomes whether or not the CRA and the City were willing to help pick up the difference, either in part or in whole. Mr. Gabriel suggested the focus should not be on whether or not a better project was desirable, but rather on does it make sense to pick up the full amount of money needed for the gap, or to possibly keep looking for a better number.

Mr. Lucas asked if the Housing Authority or Carlisle was out the money. Mr. Greer clarified the developer, architects, engineers, landscapers, general contractor would get paid anyway. Originally, the Housing Authority tried to work through the funding process with a financial advisor. Part way through the process, the Housing Authority realized they did not have the wherewithal to finish the project successfully and called Carlisle in to assist. Mr. Greer emphasized the issue was not how the developer or other professionals got paid, or the total paid, or when the dollars were paid.

Mr. Lucas asked for clarification regarding the funding request. Mr. Battle explained the request was for eighty percent of what was generated, not to exceed two hundred and fifty thousand dollars.

Mr. Wilkes felt the CRA was charged with the overseeing, redevelopment, and promotion of the area, while the Housing Authority was charged with providing housing

to those in need. The goal of the CRA was to make sure the type of housing proposed was compatible with the goals of the area. Mr. Wilkes stated approving the project would be an endorsement of the type of project proposed. Mr. Wilkes advised the request was “smoke and mirrors” as the project would go forward anyway, and was basically creating a tax that did not currently exist to generate funding for other projects.

**Motion** made by Mr. Brady, seconded by Mr. Centamore, to accept the recommendation of Staff at the funding levels described.

Chair Ferber noted Ms. Phillips and Ms. Berry expressed the desire to hear from the Director prior to a vote.

Mr. Battle provided a brief history of the Dixie Court streetscaping project where some of the same concerns were expressed. Following the streetscaping project, the developers approached Staff with concerns regarding long-term financing for the project. Staff talked with the developers over a number of months regarding the best way to fill the financial gaps. Mr. Battle felt comfortable with the projections submitted, and felt the recommendation was solid.

Mr. Wilkes asked if two hundred and fifty thousand dollars was committed for fifteen years, would that prohibit the ability to provide funding for other projects. Mr. Battle stated they would not be prohibited, and funding would be on a case-by-case basis.

In a voice vote, the motion was approved with Mr. Lucas opposed.

### **III. Communications to CRA Board**

None.

### **IV. Old Business/New Business**

Mr. Battle reminded the Board members the next meeting would be a tour, and more updated information would go out to the members. Mr. Battle estimated the tour would last about an hour.

### **V. Communications to City Commission**

None at this time.

### **VI. Adjournment**



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With no further business to come before the Board, the meeting was adjourned at 5:19 p.m.

[Minutes prepared by K. Bierbaum, Prototype, Inc.]