

**APPROVED
 NORTHWEST PROGRESSO – FLAGLER HEIGHTS
 REDEVELOPMENT ADVISORY BOARD
 FORT LAUDERDALE
 100 NORTH ANDREWS AVENUE
 8th FLOOR CONFERENCE ROOM
 MARCH 23, 2011 – 3:30 P.M.**

Cumulative Attendance

<u>Members Present</u>	<u>Attendance</u>	<u>May 2010 - April 2011</u>	
		<u>Present</u>	<u>Absent</u>
Steve Lucas, Chair	P	7	1
Ella Phillips, Vice Chair	A	5	3
Jessie Adderley	P	5	3
Phyllis Berry	A	3	5
Ron Centamore	P	7	1
Alan Gabriel	P	6	2
Mickey Hinton (3:48)	P	5	3
Bradley Hubert	P	6	1
Brice Lambrix	P	7	0
Doug Sterner	P	6	2
John Wilkes	P	4	3
Samuel Williams	A	5	2

Currently there are 12 appointed members to the Board, which means 7 would constitute a quorum.

Staff

Alfred Battle, Director, CRA
 Sandra Doughlin, Clerk III, CRA
 Bob Wojcik, CRA
 Barbara Hartmann, Recording Secretary, Prototype, Inc.

Communications to City Commission

None.

I. Call to Order / Roll Call

Chair Lucas called the meeting to order at 3:40 p.m. Roll was called and it was noted a quorum was present.

II. Approval of Minutes from February 28, 2011

Motion made by Mr. Sterner, seconded by Mr. Lambrix, to approve the February 28, 2011 minutes with any necessary changes.

Mr. Hubert noted a correction to his absences, which should be 1, not 2.

In a voice vote, the **motion** passed unanimously.

Action Item

III. Fort Lauderdale Housing Authority / Carlisle Development – Funding Request

Mr. Battle explained that the request is very similar to previous requests from developers for streetscape assistance from the CRA. This project, Northwest Gardens 1, is one of several that the Housing Authority and Carlisle Development have done as a joint effort. He noted that the members' information packets included some background on the types of units and residents that will be part of the development.

He advised that most presentations include a tax increment analysis to show what Staff believes the project will generate in terms of revenue; however, because the Housing Authority is the owner of the property, there will be no taxable value assigned to the project and no tax increment revenue will result from it. The proposed improvements will be one block away from the Northwest Neighborhood Project improvements, which include very similar sidewalks, lighting, and landscaping.

Mr. Battle concluded that the CRA is supportive of the proposed improvements and believe they can support the expenditure of funds.

Mr. Battle introduced Lindsay Lecour and Melissa Harrison of the Carlisle Group, who would give a presentation on Carlisle's request from the CRA.

Ms. Lecour said the developer has worked in the CRA for nearly five years and completed their first large scale development at Dixie Court, which represents almost \$46 million in investments. The next large scale development project, Northwest Gardens, is expected to take another five to seven years to complete. The Carlisle Group is primarily developing affordable housing in these neighborhoods.

Mr. Hinton arrived at 3:48 p.m.

Ms. Lecour said the Carlisle Group is one of the largest affordable housing developers in the U.S. They have built almost 9000 affordable apartments in

Florida, of which roughly 1200 units are located on municipally owned land. Over 600 of these units are in Fort Lauderdale. They have raised \$1.2 billion in capital through public-private partnerships, of which over \$30 million is in Fort Lauderdale. She showed a map of the Carlisle Group's work in Broward County and Fort Lauderdale, including Northwest Gardens 1, Northwest Gardens 3, and the Dr. Kennedy Homes.

She explained that the shared project would redevelop the Housing Authority's portfolio of public housing. It would be financed by private investments through low-income housing tax credits. The development would help the entire neighborhood due to its scale. In addition, the Carlisle Group is working to incorporate some of the social programs residents want, including the Step Up Vocational Training Program, which works with residents to help them learn trades. Carlisle supports this by allowing participants in the Step Up program to build and install all the cabinetry in its developments.

The Carlisle Group has also started a pilot program of community gardens, including 48 beds in Dixie Court; residents tend and harvest these beds. This project will be part of the Northwest Gardens neighborhood as well.

Ms. Lecour showed a picture of the streetscape work done in Dixie Court. The \$338,000 grant awarded to the Carlisle Group allowed them to improve sidewalks, curbing, lighting, landscaping, and drainage on the streets surrounding this development.

She continued that the Carlisle Group's work in Northwest Gardens spans the area from Sistrunk Boulevard to NW 8 Street on both sides of 10 Avenue. She showed "before" and "during construction" pictures of the area, noting that 24% of the labor force on this site was hired from local neighborhoods.

Ms. Lecour showed a slide of "Northwest Gardens in the future," pointing out that the Carlisle Group's commitment to affordable housing means all residents must make 60% or less of the area's median income in order to qualify for residence. She said the Northwest Gardens development in particular is designed for senior residents age 55 or older, including grandparents who are taking care of their grandchildren.

She showed two additional phases of development for Northwest Gardens that Carlisle hopes to finance within the next two years. The combined streetscapes proposed by the CRA and by the Carlisle Group will cover "a huge portion of this neighborhood" and have a major impact on the streets' appearance and the flow of traffic and pedestrians through the neighborhood.

Another element of the project is Leadership in Energy and Environmental Design (LEED) development certification, which certifies “green building.” Some of the principles of LEED development include pedestrian-friendly streetscapes and traffic calming.

The Carlisle Group has been working to apply the CRA’s streetscape design principles to its own design: for example, they plan to install 7 ft. sidewalks instead of their 5 ft. standard in order to match the CRA’s design.

Ms. Lecour showed a slide of the budget their contractor has put together for the sidewalks, drainage, landscaping, irrigation, roundabout, and other features. The total is roughly \$323,000, which is similar to the \$338,000 the Carlisle Group was awarded at Dixie Court.

She showed a slide of the plaza where the Christmas tree is lit each year, noting that Carlisle also plans to renovate the Community Center that fronts onto Sistrunk.Boulevard. Ms. Lecour advised that the Carlisle Group would like to partner with the CRA to renovate the plaza while they are working in this area. She showed a “very conceptual” design for what these renovations would look like.

In closing, she stated that Northwest Gardens 3 is approximately 10% complete, and the Carlisle Group is preparing to pour the foundation. This development will consist of 150 town home units for families, as well as some apartment buildings. There are two more phases of potential development, Northwest Gardens 2 and 4, that are currently in conceptual stages and do not have funding. The CRA has an opportunity to double the impact of their streetscape plan in this neighborhood, with the Carlisle Group managing the work.

Mr. Hubert said he felt the proposed project might be worth the extra effort by the CRA, especially since Carlisle is currently working in the area. He asked what percentage of the grant from the CRA would be used for on-site landscaping and what would be used for off-site landscaping or other improvements. He clarified that “off-site” referred to improvements located “off the sidewalk.”

Ms. Lecour said the figures she had shown the Board referred to the streetscape piece of the improvements. She said 100% of the requested grant would be used for improvements “from the sidewalk on out,” and added that the Carlisle Group would be glad to provide a tour for any interested Board members.

Ms. Adderley asked which parts of 10 Avenue are not owned by the project. Ms. Lecour showed a aerial photo of the area, pointing out a house and a 25 ft. lot not owned by the Carlisle Group. She explained they would like to extend the sidewalk improvements to help connect these areas rather than stopping the

project at the property line as legally required. They are working with the City to find a way to make these connections.

Chair Lucas recalled that the Dixie Court project was not LEED-certified. He asked if this certification would drive up the cost of the Northwest Gardens project. Ms. Lecour said the streetscape is not LEED-certified, but the buildings will receive this certification. It will not affect the cost of the streetscape.

Mr. Battle said in the past, the CRA has brought similar developments before the Board with requests for assistance; in most cases, there has been a range of CRA assistance from 50% to 85% of the cost. Factors involved in giving more than 50% assistance have included making improvements in front of properties that the developer does not own, improving both sides of the street, or carrying out the project "at a higher level" than the developer had originally budgeted, among other considerations.

He explained that the Northwest Gardens project is a similar case due to the properties not owned by the developer, although there are fewer such properties than in previous cases. It would be necessary to calculate the percentage that the CRA would need to contribute, although Mr. Battle said he estimated they could contribute roughly 55% of the cost. This would mean a contribution of approximately \$180,000 from the CRA. He concluded that this would be his recommendation, with the caveat that Staff must continue to work on this figure and make sure there is "a typical sharing percentage" as compared to what the CRA has contributed in the past.

Mr. Wilkes asked if the projects previously funded, with the exception of Dixie Court, had a tax increment recovery component. Mr. Battle confirmed this, and said the CRA had funded 50% of the streetscape project for Dixie Court on three sides of the development and 100% on the fourth side, with a reconciled percentage of 70%. The total contribution was roughly \$338,000.

Mr. Wilkes asked to know the total lineal footage of the project. Ms. Lecour said she did not have this figure at hand. Mr. Wilkes said the costs of paving and drainage were often "elusive numbers" when the projects are calculated.

Mr. Sterner asked if any other grant money is being leveraged to assist with the project. Mr. Battle said the financing the Carlisle Group is receiving is obtained through a competitive process, although he would not classify this as a grant. Ms. Lecour said the general project is financed in part through a \$500,000 "soft loan" from Broward County, and the developer is seeking an additional \$285,000 from the Broward County Home Program.

Mr. Sterner explained that he was thinking of transportation enhancement grants that are available to communities, which can be used for sidewalk and similar improvements. Mr. Battle said there are no transportation enhancement dollars involved in the project.

Mr. Sterner requested clarification that the hope is for neighborhood improvements to eventually lead to increased tax values, and asked if this has been seen as a result of the Dixie Court project. Mr. Battle advised it is too soon to expect to see these results as yet; it is also in conflict with "what the marketplace is telling us about taxes right now." He estimated that in 15 years it may be possible to see increased tax values from the overall area.

Mr. Lambrix asked if the properties will come back onto the tax rolls at some point. Mr. Battle said the properties will never be on the tax rolls as long as they are held by the Housing Authority.

Mr. Centamore said he had been under the impression that Dixie Court was coming onto the City's tax rolls once the project was complete. Mr. Battle said he had believed this would happen at the time the CRA had supported the project, but then they were advised this was not the case. He said this would also not be the case for the Northwest Gardens project.

Mr. Lambrix asked how much of the neighborhood the CRA would continue to develop that would not return anything on the tax rolls. Mr. Battle said one of the initiatives in the Master Plan is the Green Street Initiative, which recommends similar improvements for several neighborhoods. Mr. Lambrix observed that in other areas these projects might have tax increment returns, and asked if there would eventually be "a philosophical limit" on how much money the CRA would put into these improvements without receiving a return on their investment. Mr. Battle said the overall neighborhood is giving the CRA a return on their investment even if these specific projects did not.

Mr. Battle continued that one reason the Northwest neighborhood enhancements are done a few streets at a time is in response to a philosophical question of "how much you can financially stand:" for example, if the available funds, in conjunction with transportation enhancement dollars, are enough to improve five or six streets at a time, and the next application will fund another few streets. He said this phasing is the best way to make these enhancements while still retaining enough money to make other expenditures as well. He noted that the Housing Authority has plans for other projects in the area, which provides a good way to leverage funds.

Mr. Wilkes said these were not only philosophical but legal issues as well due to the bond. He said early on, most of the funds allocated had to propose or intend

to generate some tax revenue increments to pay back the bond, and asked if the streetscape projects, while tangential to the overall plan, can be embarked upon without showing this proposed tax increment revenue. He said he did not believe the CRA could do this without identifying the tax increment revenue from the plan, at which time the project could be identified as a capital improvement project. He expressed concern that this should have been explored before the Board is asked to vote on the project at hand.

Mr. Battle said these were not bond funds from a legal standpoint: one part of the CRA's capital comes from bond funds and is primarily used for Sistrunk improvements, while the other part of their capital is used to fund public-private partnership-driven projects. The latter money comes from the tax increment trust fund, which continues to build every year. The legal justification made in the past for using this money is that the initial founding document from 1995 refers to these improvements as "a goal of the agency." As long as the money continues to come from the trust fund, the CRA remains within its legal right to spend it on similar improvements.

Mr. Hubert said this kind of development depends upon the availability of tax credit financing; when it is available, projects get approved. He said this was a restrictive factor on its own, as this financing cannot always be expected to be available. Ms. Lecour added that Northwest Gardens 2 and 4 have not yet been funded, and the project is "at the mercy of the tax credit application cycle" to receive this funding.

Mr. Battle said Mr. Hubert had raised a valid point, because if the funding is not available for tax credit development, there would be no discussion of leveraging the dollars necessary for the streetscape improvements. He said when funds are available, it is only a matter of how resources are to be allocated at any particular point. He said ultimately the question is one of whether it is good policy to make improvements without getting a return on them, and noted that the elimination of slum and blight is the fundamental reason behind the CRA's existence in the first place.

Mr. Centamore said he knew there would be no tax increment revenue for this and similar projects, but said he felt they are paid back in other ways, such as better quality of life for residents and better services provided by the City. As the rest of the area improves, so does the tax base, which eventually leads to a source of tax revenue.

Mr. Wilkes agreed with Mr. Centamore that there are other benefits deriving from these expenses; however, there is a limited source of funds not generated by the bond, and the question is how much of these funds should be spent on an area that is already being improved or on another corridor that might promote

development and generate more revenue. He said ultimately the question is where there will be the most results from dollars spent.

Mr. Wilkes asked how much money was available in the discretionary fund. Mr. Battle said there is just over \$9 million in this fund, and \$5 million available from the bond fund. He said the operational budget is only slightly over \$2 million, although the CRA is a \$5 million tax increment financing (TIF) agency; this means any money not used "continues to roll over." He added that all these funds are leveraged, as he rarely brings a project requesting 100% of funding before the Board.

Chair Lucas clarified that the funding request was for 55%, and the CRA has paid from 50% to 80% of previous projects. The Staff is supportive of the 55% reimbursement, which comes to approximately \$180,000.

Mr. Sterner asked if there was a Staff recommendation for the park. Mr. Battle advised that more work is required for this proposal and it is not before the Board at this time.

Motion made by Mr. Hubert, seconded by Ms. Adderley, to support the proposed off-site streetscaping program at a proportion of 55% of the cost, where the CRA's portion would be approximately in the \$180,000 range.

Mr. Wilkes said to get the best return on CRA dollars, Staff might consider exploring what could be used to get a better price on a streetscape design instead of taking proposals on phases of the project. This would let them know up front what the cost would be. Mr. Battle said this was a good point, and noted that as the current project was under construction, it would be a reimbursement issue; he recalled that the CRA had sent other proposed improvements out for bid in order to effectively deal with cost.

In a voice vote, the **motion** passed unanimously.

Mr. Lambrix said a developer comes into a project in many cases knowing that he will have to develop a streetscape, and asked why the Housing Authority does not "walk into the project with the same attitude." He characterized the project as a subsidy of the Housing Authority, which is already subsidized. Mr. Battle said while this was not incorrect, there are also "up-front" reasons the project would not be completed unless the Carlisle Group partnered with the Housing Authority.

Mr. Lambrix asked if the developer, in one sense, is not working for the Housing Authority. Mr. Battle said the developer will be paid for their work through the fee structure they have entered into with the Housing Authority, which will allow them to make a profit over the course of the Housing Authority's lease.

Ms. Lecour explained that the developer earns a fee, which is capped by the State at a specific percentage of the total development costs. With regard to whether the streetscape would be developed in any case, she said Carlisle's standard streetscape specs are those required by Code; the expanded sidewalks, light fixtures, and other details would not be used if the CRA did not assist in the cost of these features. The developer is "building to the CRA's spec," which is a higher level of streetscaping.

Chair Lucas suggested that this would be a good issue to raise at the upcoming joint workshop between the CRA Board and the City Commission.

Mr. Centamore asked if Carlisle did any projects on their own without partnering with the Housing Authority. Ms. Lecour said they did, and either managed the properties through a "management arm" of the company or by outsourcing to a property management firm.

Discussion Items

IV. Director's Report

Mr. Battle said he did not have any new information to report. He noted that the members were provided with a copy of the Downtown Development Authority newsletter, which includes information on the status of various projects, such as the housing project in Flagler Village.

He continued that the Sistrunk Boulevard improvements are continuing at a steady pace; there continue to be weekly meetings with the contractor and construction manager regarding any issues in the field. The first change order for the project has been made, primarily as a function of features added, such as replacement of curbing and the addition of blue signs that identify the businesses remaining open on the street. He said the CRA has funded a recent ad in the *West Side Gazette*, which provides "soft marketing" for the businesses on Sistrunk. These ads will continue through July 2011.

There was recently a ribbon-cutting ceremony at the Eula Johnson House, at which 50-60 people were in attendance.

V. Communication to CRA Board

None.

VI. Old / New Business

Chair Lucas asked if a date is available for the joint workshop. Mr. Battle said he had asked for another date but has not received one at this time. The meeting will take place in either April or May.

VII. Adjournment

There being no further business to come before the Board at this time, the meeting was adjourned at 4:36 p.m.

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