

Community Redevelopment Agency (CRA)
Meeting Minutes August 11, 2020
(APPROVED)

8/11/2020 - Minutes

1. CALL TO ORDER & ROLL CALL

Board Members present: Chair Robin Gibson, Mayor Eugene Fultz, Commissioner Goldstein, Commissioner Howell, Vice Chair Curtis Gibson.

Staff Present: James Slaton, Interim CRA Executive Director; Albert C. Galloway Jr, City Attorney; Jennifer Nanek, City Clerk; Karen Thompson, Assistant Director of the CRA

Chair Robin Gibson called the meeting to order at approximately 6:00 p.m.

Chair Robin Gibson read a statement:

Pursuant to Executive Order No. 20-69, issued by the Office of Governor Ron Desantis on March 20, 2020, extended by Executive Order No. 20-112, and further extended by Executive Order No. 20-114, municipalities may conduct meetings of their governing boards without having a quorum of its members present physically or at any specific location, and utilizing communications media technology such as telephonic or video conferencing, as provided by Section 120.54(5)(b)2, Florida Statutes.

Citizens may submit comments and Questions at WWW.LAKEWALESFL.GOV/COMMENTS for either a specific Agenda Item or for Communications and Petitions.

Albert Galloway, Jr., City Attorney, read a statement on Procedures for this partial virtual Public Meeting.

Mr. Galloway asked the Board Members, "are you comfortable with all the notice provisions set forth and these uniform rules of procedures we have established for this Virtual meeting? The Board answered affirmatively.

2. Minutes - July 14, 2020

Commissioner Goldstein made a motion to approve the minutes of July 14, 2020. Commissioner Howell seconded the motion.

By Voice Vote:

Commissioner Goldstein "YES"

Commissioner Howell "YES"

Commissioner Curtis Goldstein "YES"

Mayor Fultz "YES"

Chair Robin Gibson "YES"

Motion passed 5-0.

3. Grant, Center State Bank, CRA Department

[Begin Agenda Memo]

SYNOPSIS

The City of Lake Wales Community Redevelopment Agency would like to apply for a grant, in the amount of \$30,000.00 from Center State Bank, CRA Department. Funds are to be allocated for the Northwest Redevelopment Area for the purposes of Business Development and Recruitment.

RECOMMENDATION

Staff recommends the approval of applying for the \$30,000.00 grant.

BACKGROUND

In the efforts to encourage public and private investments to boost economic growth and improve the quality of life in the redevelopment area, the Lake Wales Community Redevelopment Agency will be applying for a \$30,000.00 grant from Center State Bank's, CRA Department. Center State Bank's CRA department focuses attention and resources in a specific area characterized by blight and disinvestment. Funds are to be allocated for the Northwest Redevelopment Area for Business Development and Recruitment.

OTHER OPTIONS Not to approve applying for the grant.

FISCAL IMPACT This grant has no matching requirements. The fiscal impact is positive revenue.

[End Agenda Memo]

Karen Thompson, Assistant Director of the CRA, reviewed this item.

Chair Robin Gibson confirmed that we have been a recipient before. Ms. Thompson said yes.

Mayor Fultz made a motion to approve the grant application. Commissioner Howell seconded the motion.

By Voice Vote:

Mayor Fultz "YES"

Commissioner Howell "YES"

Commissioner Goldstein "YES"

Commissioner Curtis Gibson "YES"

Chair Robin Gibson "YES"

Motion passed 5-0.

4. Grove Manor Redevelopment Update

Albert Kirkland, Jr., Director of the Lake Wales Housing Authority, said they provided a letter with their request for a match to their plan for redeveloping Grove Manor. The letter details their 3 phase plan. He introduced his developer of Grove manor, Darren Smith.

Darren Smith, Developer, reviewed their three phase plan to redevelop Grove Manor, a public housing complex. The new plan consists of mixed income residents. There will be 1 bedroom, 2-bedroom and 3-

bedroom options. They request a pledge of \$460,000 to match their application for tax-credit funding.

James Slaton, Executive Director, said this amount is almost half of unallocated funds in the CRA budget. As this is a three phase plan the CRA will be asked to help in all three phases.

Chair Robin Gibson asked Mr. Smith if they reviewed the Lake Wales Connected plan which has Grove Manor in it and is vastly different from their plan. Mr. Kirkland said he reviewed the plan and he would like to bring everything together. The Lake Wales Connected has a street through Grove Manor which would reduce our number of units but besides that we can work with the plan. This is a joint venture for a better Lake Wales. Mr. Smith agreed and said we won't need the money until 2023 if this is awarded the funding.

Chair Robin Gibson asked for more information about funding. Mr. Smith explained that for the first phase they would apply for 9% tax credits from the Florida Housing Finance Corporation. This is how affordable housing is financed. These tax credits are valuable. We can sell them for about \$15.6 million dollars to a bank or insurance company. If they get a local contribution it would help them win these credits. Mr. Smith gave an example from St. Augustine on how this works. The funding is installments over 24 months of construction. The CRA money would go in at completion to pay down the construction loan. The two phases will be addressed down the road and will be funded in a similar way. Phase 2 would be applied for in 2022. Mr. Slaton asked what the Housing Authority is contributing to the project. Mr. Smith said that the Housing Authority is contributing the land which they own. There will be a long time ground lease which will be leased to the investor. Chair Robin Gibson asked if the land will continue to belong to the Housing Authority. Mr. Smith said yes but developer will own the improvements and collect depreciation. The investor receives the tax credits, and depreciation of the assets and interest losses. Chair Robin Gibson asked who makes the repairs? Mr. Smith said the Housing Authority does and explained how maintenance is handled. Chair Robin Gibson asked if taxes are paid. Mr. Smith said the Housing Authority does not pay taxes on the land but the Developer will on the improvements. When all three phases are complete the taxes will pay back the \$460,000 in about 10 years. Deputy Mayor said a portion of those taxes will go into the CRA Trust Fund. Mr. Smith said an estimated pay back would be 7 years.

Chair Robin Gibson brought up the issue of design and asked what flexibility they have as far as principles of the Dover-Kohl plan. Mr. Kirkland said their main issue is the street but besides that they are open on the design. Chair Robin Gibson asked who the architects are? Mr. Smith said GHA or Gallo Herbert Architects who they have worked with previously. They need high standards if this is mixed income. They will work with the City to provide continuity in appearance.

Commissioner Goldstein asked what happens if they aren't awarded the credits. Mr. Smith said they have other pots of money they can go after for which the match will still be helpful. We have a good chance at the 9%. Commissioner Goldstein asked if they get less money will they come back to the CRA? Mr. Smith said no. Commissioner Goldstein asked for pictures of other projects they have done. Mr. Smith said that he can get those and shared about a recently completed project. Commissioner Goldstein asked about the current residents. Mr. Kirkland said that they will get Section 8 vouchers.

Chair Robin Gibson asked about the timeline. Mr. Smith said they would like approval at the September meeting. The deadline for submittal is October 8. There is a form the City would have to fill out.

Commissioner Howell asked that they are asking for this for an advantage in competing for these tax credits. Mr. Smith confirmed this. Commissioner Howell asked to confirm that this request is for phase 1 only and that they will be back for the other two phases if successful. Mr. Smith confirmed this if the rules haven't changed by then. Commissioner Howell asked who has the last say on the design. Can they comply with Dover-Kohl? Mr. Kirkland said that HUD is moving away from public housing. They have been working on this idea long before Dover-Kohl. They want this to be a partnership and bring these ideas together. They would love to be the first to get a Dover Kohl project done. Mr. Smith said that Florida Housing has the final say or decides what they can do or not do.

Mayor Fultz said this is an investment in our City and would improve quality of life. This buy-in would help get the funding. We want to tie this in to the Dover-Kohl plan. This would give us quality and unification through the City.

Commissioner Curtis Gibson asked about last year's project and what happened. Mr. Kirkland said we did not qualify for this last year because Polk County won the previous year. He was concerned about the money pledged last year and they would follow the Dover-Kohl plan. He said this is a big investment and wanted clarification on ownership of this. The developer, we don't know who this is, would own 99.9%. He agreed with other Commissioners that we need more time to review this. He asked the Commission to review the budget before deciding.

Chair Robin Gibson asked if this is one story. Mr. Smith said its two story. Commissioner Howell said we would pay out the money in 2023. Mr. Smith said yes if they win. Commissioner Curtis Gibson asked Mr. Slaton if \$500,000 was budgeted this year for this. Mr. Slaton said he would have to check that. Chair Robin Gibson asked about the Polk County project in Winter Haven. Mr. Smith reviewed the Polk County project that won two years and blocked them from applying. Mark Bennett, Development Services Director, said he is on the Polk County Affordable Housing Committee and discussed the project in Winter Haven.

Mayor Fultz asked if we know how much of the tax income will come to the CRA and how much to the general fund. Mr. Slaton said he would find out that information. Mayor Fultz suggested delaying the decision until the September meeting. The Chair concurred.

Chair Robin Gibson thanked Mr. Kirkland and his associates for coming and presenting to the board. Mr. Kirkland said he appreciated being able to come and present their goals and said he hopes they can work together on this. Chair Robin Gibson asked if a person can influence the design of their unit. Mr. Kirkland said we can get input on the design from the City the same as what was done with Sunrise. Ms. Thompson said that Mr. Kirkland and Mr. Smith have been very open throughout their discussions to any input from the city and Dover-Kohl on this process.

5. COMMUNICATIONS AND PETITIONS

6. EXECUTIVE DIRECTOR'S REPORT

James Slaton, Executive Director, presented notebooks with information on the CRA including copies of the statutes, the CRA plan, and both parts of the Lake Wales Connected plan. Mr. Slaton reviewed the pages with the forecast of CRA funds and what is needed for the Dover Kohl plan over the next few years. The future debt payments were identified. Mayor Fultz asked what the revenues are annually. Mr. Slaton said about \$2.2 million.

Mr. Slaton announced the upcoming open house event online and in person regarding Crystal Lake Plan. Commissioner Curtis Gibson asked about public information efforts about these events. Mr. Slaton said they have met with stakeholders, distributed flyers around the lake and posted it to social media.

Mr. Slaton announced about a public workshop hosted by FDOT about the HWY 27/SR 60 interchange work on August 18th that is starting soon.

Mr. Slaton introduced Mark Bennett, Development Services Director, who has just started.

7. ADJOURN

The meeting was adjourned at 7:40p.m.

Chair/Vice-Chair

ATTEST:

City Clerk/Deputy City Clerk