

**LAKE WORTH COMMUNITY REDEVELOPMENT AGENCY
REGULAR MEETING
LAKE WORTH CITY HALL COMMISSION CHAMBERS
TUESDAY, JUNE 9, 2009
6:00 P.M.**

I. ROLL CALL:

The Chair called the meeting to order at 6:00 p.m. on the above date in the Commission Chambers located at 7 North Dixie Highway, Lake Worth, Florida.

Present were CRA Members Mark Rickards, Brendan Lynch, Donna Ross, Ed Grimm, Shanon Materio, Wes Blackman & Wayne Marcinkoski.

Also present was CRA Director, Joan Oliva

II. PLEDGE OF ALLEGIANCE:

III. APPROVAL OF MINUTES:

- a. April 14, 2009
- b. April 22, 2009
- c. May 12, 2009
- d. May 26, 2009

Action: Motion was made by Mr. Blackman to approve the minutes from April 14th April 22nd, May 12th and May 26th seconded by Mr. Grimm.

Vote: All Ayes

IV. AGENDA – ADDITIONS/DELETIONS/REORDERING:

Action: Motion was made by Mr. Blackman to adopt the agenda seconded by Mr. Grimm.

Vote: All Ayes

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

Laurence McNamara- I want to point out that the surf shop on Lake has a canopy that is in disrepair since this is in the CRA district perhaps someone from your agency can get in touch with them and see if they can work out a way to get it repaired or replaced.

Mayor Jeff Clemens- I wanted to apologize for cancelling the Board interviews last night. I received an email on Friday afternoon on the schedule of the interviews and I did not read it until Saturday and over the weekend I noticed that there were five minute time slots and I felt that was an unacceptable length of time to interview the applicants. I did not receive the memo regarding why the terms for the current Board were not staggered until Monday afternoon and I did not feel that was adequate time to discuss how the matter should be handled.

VI. ACTION AGENDA:

a. Residential Rehab Grant- James Hertz 102 South M Street

Mr. James Hertz is the seventeenth overall applicant of the residential rehabilitation grant from the CRA. Mr. Hertz is a longtime resident of Lake Worth and lives in home built in 1925 which is located in the historic downtown area of the City.

The applicant is requesting financial assistance from the CRA to cover the following expenses: A new roof to replace the original metal roof which is deteriorating.

Staff has confirmed with the Lake Worth Planning Department that the structure is a non-contributing structure and will be allowed to replace the roof to a style in which the applicant is comfortable with. The applicant has also provided a letter of recommendation from an independent engineer stating the condition of the roof.

Staff recommended the Board review and approve no more than \$15,000 in grant funds to James Hertz residing at 102 S. M Street from the CRA Owner Occupied Residential Rehabilitation Grant Program to help cover the cost associated with a new roof.

Mr. Hertz stated that the original roof was a cedar shake roof that they then put a metal roof over the top of. The current quotes are for an architectural shingled roof which can mimic a cedar shake roof. Mr. Hertz stated that it will meet code. Mr. Hertz stated that he preferred a metal roof but the shingles are less expensive.

Anna Beth Carson- I don't know if you know why the house is considered non-contributing. Is the reason it's considered not contributing because there are things that can be changed and therefore it really should qualify reason I am asking because the decision about the roof could be the reason that the structure is considered contributing that could potentially be a landmarked building I know the issue with the shingles is that insurance wise it is more cost effective there is controversy among different communities that do historic preservation as to if the shingles qualify. This is a decision the City of Lake Worth can make.

Mr. Blackman stated he used live close to that property and it was heavily covered by vegetation from the ficus tree so you really could not see the house from the road and what I am guessing is that the surveyor had a hard time telling what the house was and what the tree was. That being said I really do think that it is a contributing structure that either roofing choice in this case would work. I prefer a steel roof it was very common in 1920's the fiber glass architectural shingle is meant to look like the cedar shake roof as best it can.

Ms. Ross suggested that the applicant put a metal roof and the applicant pay the difference in cost. Mr. Hertz stated that financially at this time it is just not possible. Mr. Hertz stated that he thought the Board would be pleased with shingles since they are cheaper.

Action: Motion was made by Mr. Grimm to approve the funding for James Hertz residing at 102 South M Street for cost associated with a new roof and any engineering improvements that are added to the roof to improve its structural integrity i.e.: roof tie connectors and gable and bracing and that the funding not exceed \$15,000 seconded by Mr. Marcinkoski

Vote: 6 Ayes, 1 Nay

b. Residential Rehab Grant- Mary Demers 501 South B Street

At its April 28th 2009 meeting, the CRA Board voted to reward \$15k in residential rehabilitation grant funds to Ms. Mary Demers to cover costs associated with electrical, siding and foundation repairs at her home located at 501 South B Street.

Ms. Demers original grant request additionally included \$7,619.82 from the residential beautification grant to cover painting, driveway repair and landscaping work. At the April 28th meeting, the Board requested Ms. Demers consult with the City of Lake Worth Horticulturist before any funds were given for beautification. Since that time, the applicant has revised her application and has withdrawn her request for landscape and driveway improvements. However, Ms. Demers would still like consideration from the Board to fund exterior painting and a new fence in her front yard.

Staff recommended they approve the rehab grant for no more than \$1,822.50 in matching grant funds from the CRA Owner Occupied Residential Beautification Grant program to Mary Demers residing at 501 South B Street.

Ms. Demers stated that the painting needed is for the part of the home that was not sided where it is chipping. Ms. Demers said currently there is a wooden fence on the property that is rotting; the new fence will be vinyl fencing. Ms. Demers stated that she tried to contact Mr. Cybulski but he never responded.

Katie McGivern- This case is one that really infuriated me as a citizen of Lake Worth; I have lived in this town for almost fourteen years I do not live within the CRA district. My house looks much worse than this woman's house my husband and I can't afford some of the things she is asking for and she wants to get them for free. I did not think that this was the purpose of the CRA. We are not talking about historic structures. This is a hand out I think it is improper and maybe that is why you have all these citizens applying to be on the new CRA Board.

Lynn Anderson- I was incensed about the whole 9 yards of her request. She has a beautiful house and now she wants a fence you can stick in the ground where you can go buy it at home depot for nothing where does it end? Can't any owner do anything for themselves? This house has nothing to do with blight.

Ms. Ross stated that we were trapped by these grants and now we are going to end these grants because of the tough economic times that we are in. These are the last two grants and this woman has scaled back and it is a tough call.

Mr. Grimm stated that the Board visited this home and it appears to be a beautiful structure but there were many code violations such as deteriorating siding and chipping paint. I was always against the beautification program but the painting on the house is necessary and the applicant is contributing 50%.

Mr. Marcinkoski does not believe that the fence should be funded but I am in favor of the paint.

Mr. Blackman stated that he is not a fan of the program but Mrs. Demers has lived there for 18 years and she has seen the ups and down for the neighborhood we should cater to people within our area.

Action: Motion was made by Mr. Grimm to approve funding to aid in the painting and remove funding for the fence; funding not to exceed half of the value of \$1,437.50 seconded by Ms. Ross.

Vote: All Ayes

c. Residential Rehab Grant Program

At the May 26, 2009 workshop meeting, the Board discussed making changes to the Residential Rehabilitation Grants. Of the \$100K budgeted for the residential rehabilitation programs this fiscal year, approximately \$44K remains. Two applications are pending totaling approximately \$17K. If either application is not approved by the Board, additional funds would be available. With four months remaining in the 08/09 fiscal year and with news of a significant reduction in CRA revenues next year, Staff recommends the following:

Phasing out the Residential Rehabilitation grant programs, effective immediately. Open grants, will still be honored with funding remaining in place until the end of the fiscal year.

Reallocate remaining funds in the Housing line item to the Cultural Redevelopment Program. Funds can then be used to rehabilitate homes in the target area in conjunction with the program. Funds can also be used as a match for the NSP application.

Over the past two weeks, CRA Staff has attended several meetings regarding the upcoming NSP applications. NSP-1 is being offered by Palm Beach County, with a total of \$5M available for the entire County. Funds are available to non-profit organizations, public agencies and municipalities.

NSP-2 is offered by the Department of Housing and Urban Development, with a total of \$1.93B available to states, local governments, non-profits and consortia of non-profit entities to carry out neighborhood stabilization programs. NSP applicants must demonstrate organizational capacity and have experience with the acquisition and disposition of foreclosed real estate and experience with the rehabilitation of homes. They must also provide home owner counseling and have a list of pre-qualified potential home owners and/ or renters that will occupy the properties once available.

The County program placed additional restrictions, above those required by HUD, on the use of available funds. No funding is to be used to cover administrative expenses, properties acquired under the program must be sold or leased to households with no more than 120% of AMI, but at least 40% of the awarded funds are restricted to provide housing to households with incomes at or below 50% of AMI. All properties must be purchased at a minimum discount of 15% below appraised value. The maximum cost of acquiring and rehabilitating a unit cannot exceed \$280K.

The NSP-2 program offers funding for the following:

- Establishing financing mechanisms for purchase and redevelopment of foreclosed upon homes
- Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon in order to sell, rent or redevelop
- Establish land banks for homes and properties
- Demolish blighted structures
- Redevelop demolished or vacant properties as housing

A minimum of 100 homes must be targeted for the program and no less than 25% of the funds must be used for the purchase and redevelopment of abandoned and foreclosed-upon homes to house individuals and families whose incomes do not exceed 50% of AMI. The amount of NSP-2 funds must be sufficient in size to contribute toward significant and measurable neighborhood stabilization, therefore, the applicant's request must not be less than \$5M and a minimum of 100 abandoned or foreclosed homes must be brought back to productive use or their negative effect on the stability of an area be mitigated or eliminated. Allowable administrative and planning-related costs are limited to 10% of the total award.

Due to the necessary organizational capacity and experience needed to carry out a comprehensive program, the CRA must partner with other organizations to be eligible for funding and be successful with this endeavor. Meetings have taken place these past few weeks with several non-profit organizations. We believe by working together, leveraging funding, layering services and sharing expertise, a successful application can be made and a program, if funded, would have a significant impact on the community.

One of the scoring criteria in the NSP-2 grant is the amount of leveraged resources an applicant is able to dedicate to the program. Firm commitments of cash, in-kind contributions and donated services are examples of acceptable leverage. The more leverage the CRA and our partners can provide, the higher the score the application can receive, thus increasing our chances for funding.

If the Board does not wish to partner with other organizations and submit an application to HUD for NSP funds, the remaining funds in the housing line item can be used to purchase and rehabilitate homes in the Cultural Redevelopment target area.

Another alternative would be for the Board to leave the remaining funds in the housing line item, continue to accept rehabilitation applications but redefine the requirements of the grants. If the Board chooses to continue offering the rehabilitation grants, Staff recommends forming a committee to evaluate the current program and offer alternatives to the current requirements and terms.

Staff stated that the money would not have to be reallocated it could be left in the line item and at the end of the FY the money would then go back into fund balance. The other alternative would be to create a committee that would come up with recommendations on how this program should be run. Keep in mind that our FY ends September 30th and next year with the decrease in property values along with the MSTU our revenues will be half of what they were this year. The NSP grant is a grant that is submitted and it helps if you have funds allocated for leverage. Every dollar will be matched by something else.

Action: Motion was made by Mr. Lynch to allocate the money from the residential rehab program to the cultural redevelopment program seconded by Mrs. Materio.

Mr. Marcinkoski stated that the agenda item is about the residential rehab grant not the cultural redevelopment program. It sounds like we still have a rehab program but we do not have any funds. Staff stated that the recommendation is to suspend the program and take the remaining funds and put them into cultural redevelopment. Staff stated we would not be accepting applications for this program if it is suspended.

Mrs. Materio stated she did not feel comfortable sun setting the program tonight.

Action (amended): Motion was made by Mr. Lynch to suspend the program until a later determined time allocating the money to the cultural redevelopment program seconded by Mrs. Materio.

Jeff Clemens- This program came together because the CRA was only funding commercial properties at the time. The reason why the program has not been effective is because you cannot change the City one house at a time. If you can move the funds to something that would have a greater impact on the whole City such as NSP then that is what you need to be doing.

Lynn Anderson- I agree with the Mayor.

Anna Beth Carson- I understand the interest in leveraging for the NSP program. If the money can be used 100% for rehab then absolutely if not I think that the appropriate use of the money would be for the CRA to have a close relationship with the Code Enforcement Department because there are people who may be fined in ways that they cannot afford to pay to cover those fines. This would be directly to fight blight; which it is extremely rare for the CRA to directly fight blight.

Mr. Marcinkoski stated that there is a need to help the residents that cannot financially afford what's going on with the economy.

Vote: All Ayes

d. Commercial Enhancement/Tenant Improvement Program

Staff gave a brief power point presentation.

At the May 26, 2009 workshop meeting, the Board discussed making changes to the Commercial Enhancement (Façade) and the Tenant Improvement Grants. Of the \$120K budgeted for the Commercial grant programs this fiscal year, approximately \$29K remains unencumbered. The two grant applications mentioned at the May 13, 2009 workshop are both still pending because completed applications have not been submitted. Therefore, both will need to resubmit complete applications to be eligible for funding.

With four months remaining in the 08/09 fiscal year and with news of a significant reduction in CRA revenues next year, Staff recommends the following:

- Initiate one grant cycle in the next two months. Applications will be accepted June 30 – July 30. Eligible applications will be forwarded to the Board at the August 11 meeting with a recommendation

from Staff. Priority can be given to projects that create or retain jobs, new or expanding businesses or to tenants that will occupy an empty storefront or incorporate "green" standards in their project. Review criteria, listed in each grant application, will also be considered.

- A minimum of two quotes covering each component of the proposed work must be submitted with the application. Quotes must be uniform in nature and cover the same scope of work and identical materials. Incomplete quotes or applications will be automatically disqualified.
- If grant applications include any requests for funding for new landscaping, plans must be submitted and approved by the City Horticulturist before the application is considered complete.

If the possibility exists to offer either the Façade or Tenant Improvement Grant next year, priority should be given to vacant and underutilized properties. Many buildings, especially those along Dixie Highway, are currently vacant and for lease or sale. Many of these properties remain unoccupied due to the significant cost associated with needed rehabilitation due to years of vacancy and neglect. These structures oftentimes have old electrical, plumbing and A/C systems and are in need of structural upgrades and new roofing.

Instead of focusing on providing funding to many small projects, the Board may wish to consider offering larger grants to one or two projects so underutilized, nonperforming properties can be returned to use thus providing jobs, services and tax dollars to the City. Those projects receiving funding should be required to incorporate "green" standards into the redevelopment of the property.

Once a preliminary budget is finalized, the Board can consider which grant programs to offer next fiscal year and the level of funding that may be available, depending on the supplemental payment provided by the City. If the Board does support funding the Commercial Enhancement/ Tenant Improvement line item, the programs can be re-evaluated and new requirements and terms developed.

Staff recommended the Board offer both the Commercial Enhancement and Tenant Improvement Grant, opening up the grant cycle from June 30 – July 30. Grants can be approved by the Board using a competitive evaluation. A scoring sheet will be developed and brought to the Board at the next regularly scheduled meeting for approval. The Board can evaluate the merits of the program and consider a funding level for 09/10 after a preliminary budget is discussed with the Board.

Ms. Ross stated we do not have a commercial paint ordinance and we should try to put something like this into place. Staff stated that Planning and Code are working to try and adopt the IFCC Code.

Staff stated that state statute states that funds are not to be expended on rehabilitating administrative buildings that are owned by the City.

Michael Garnet- I am actively looking at purchasing 801 Lake Avenue. I have done all of my due diligence on the structure. This is a historical contributing structure built in 1923. I have met with the Building Department to restore the structure to what it was in the past. This structure is a hollow tile construction and has deferred maintenance issues that stretch back to 30-45 years. There is a bay window that is falling on the building. This program directly impacts my decision on whether I will move forward in purchasing the building. I have the bottom space leased; upstairs it would be residential because that is the current use.

Allen Desi- I would like to ask that you consider maintaining the funds for the commercial grant. This program helps the City and in particular these historic structures.

Lynn Anderson- I see both viewpoints tonight. We should try to keep that money and spend it. We want to attract businesses to Lake Worth.

Anna Beth Carson-That is a beautiful building on Lake and J.

Katie McGivern- I was born here and a building like this does contribute to our history. We have to start paying more attention to businesses like this one and like Dixie Highway. I hope you keep funding this.

Jeff Clemens- This program was not need based it was based on having a street impact when driving through the City. This program has been very successful. I hope that this program continues in the future.

Mr. Blackman stated for this two month period we may get 15 awning applications but in this circumstance if we have a major building like the one on Lake Avenue and J Street with major need; my concern is having the applicant know what they are up against and it could just be the beginning.

Legal counsel stated that there are no applications pending for this program.

Mr. Garnet stated that he has done his due diligence on this structure. The problem with the building is the internal infrastructure such as plumbing and electric.

Mr. Marcinkoski stated that there is need out there but since the CRA is unsure of what funding will be next fiscal year he is comfortable ending the façade program now and roll the money into next year's money and put it into a larger budget item.

Mr. Grimm stated that cultural enhancement to administrative buildings owned by the City such as the library and museum is something the CRA should discuss with the City Commission about funding.

Ms. Ross stated that libraries were last on the CRA's list of priorities.

Action: Motion was made by Mrs. Materio to open up the grant cycle from June 30th- July 31st with the changes in the criteria that were offered by staff seconded by Ms. Ross.

Vote: 4 Ayes, 2 Nays

VII. EXECUTIVE DIRECTORS REPORT:

Staff stated that last night the City Commission decided not to interview applicants for the CRA Board, but instead decided to have a meeting within the next 30 days to discuss the City Commission becoming the CRA Board.

Mr. Marcinkoski asked if the 3.1% for the County millage rate is an official number. Staff stated that this is not an official number it is just proposed. Mr. Marcinkoski requested numbers including this 3.1%.

VIII. BOARD MEMBERS' COMMENTS:

Shanon Materio- I am a huge believer in term limits. I hope whatever happens that the new Board if it is the City Commission will put the time and effort into creating staggered terms for themselves and become compliant with state statute.

Wes Blackman- I appreciate the Mayor being here for the duration of the meeting. I am concerned about the fact that we have 31 interested people applying for the CRA and we turned them away. I think the City Commission owes an apology to those who applied as well as the CRA Board. If there is an appointed board and there is a staff person. If a member of the Board has a problem with an item on the agenda the day of the meeting and tells the staff person and calls the other members and polls them to see if the other members of the board want the item on or off is this a violation of the sunshine law?

Legal counsel stated that to the extent that an individual is used as a conduit for information from

one board member to another could raise some implications with respect to the sunshine law. It all depends upon the facts or the circumstances. Sufficient notice for an agenda is considered reasonable notice at the law firm we recommend that you provide 24 hours notice and email it to the media as well. The sunshine laws does not give a right for a specific individual to sue but you may have the right for some type of injunction or to have a court declare that an action was invalid or unauthorized because the Board did not comply with the Sunshine Law. You can call the attorney general in Tallahassee they are a great resource.

Mr. Blackman stated that this is a state law I think that 45 minute notice before a meeting is not adequate. We have had two opportunities to meet with the City Commission to set goals and priorities and I think that it is very disingenuous that suddenly not once did we have the adoption of the CRA discussion. I did not feel that we were in turmoil with the City commission I thought we had a great chemistry.

Donna Ross- I would like to ask the Mayor about the Commercial Property Maintenance Ordinance can we look into this and get it on the agenda.

Wayne Marcinkoski- I am disappointed that we do not broadcast all of our meetings. People want to listen at home and know what is happening. I hope that the CRA could find some way to fund extra microphones or whatever it takes to have a permanent set up in the conference room to broadcast meetings. A lot of people listen. I was disappointed that our Chair did not reapply. It is great that so many people applied to the CRA Board to sit on the Board and spend as much time as it takes to be a member of the CRA Board.

Ed Grimm- No comment.

The Mayor stated that he received the agenda over the weekend and realized that the Board interviews were only 5 minutes per applicant which is inappropriate. I was unable to get a hold of the City Manager until Monday afternoon. The City Commission does owe a lot of people an apology. All I can say that I was presented with two really bad options (1) interviewing people when it's very likely that we would not be making appointments for the Board (2) telling them not to show up until we figured out the staggered terms issue. I could not imagine having everyone show up and not get interviewed. Mr. Blackman stated that he was not aware of the 5 minute interviews and the letter that went out acknowledging that you have an appointment mentioned a ten minute interview. The Mayor stated that a memo was issued that the CRA Board needed staggered terms and they were not properly staggered in 2001 and it contained a way that they could be staggered. The City Commission never had the chance to discuss how to stagger these terms prior to the interviews. Mr. Blackman asked the Mayor when the whole future existence of the CRA comes up. The Mayor stated it came up at last night's meeting. Vice Mayor Golden brought up the issue to take the CRA Board back at that point it was discussed that the City Commission must hold a public meeting and give notice so that people knew what was being discussed. Mr. Marcinkoski stated that the Board terms were not staggered way before this Board was appointed to the CRA. The Mayor stated that if anyone has any questions they can call him on the cell phone. The Mayor stated that he appreciated what the CRA Board has been doing.

Mark Rickards- I think a CRA Board is best set up it is run better by a separate Board. If the Commission feels that a Board member is doing a poor job they can be removed by the Commission. There are some great people that have applied to be on this Board. The issue of staggering the terms has been being discussed since October; I am not sure why it came to a head last night.

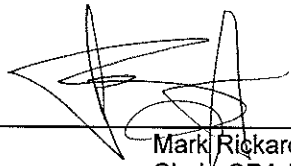
IX.

ADJOURNMENT:

Meeting adjourned at 08:28 p.m.

Minutes Approved

2/14/09



Mark Rickards
Chair, CRA Board



Emilia Theodossakos