

**LAKE WORTH COMMUNITY REDEVELOPMENT AGENCY  
SPECIAL MEETING  
LAKE WORTH CITY HALL  
COMMISSION CHAMBERS  
THURSDAY, JULY 9, 2009  
5:30 P.M.**

**I. ROLL CALL:**

The Chair called the meeting to order at 5:30 p.m. on the above date in the Lake Worth City Hall Commission Chambers.

Present were CRA Members Mark Rickards, Donna Ross, Shanon Materio, Ed Grimm & Wes Blackman. Also present was CRA Director, Joan Oliva

**II. PLEDGE OF ALLEGIANCE:**

**III. PUBLIC PARTICIPATION ON NON AGENDAED ITEMS (3 minute time limit):**

**IV. ACTION AGENDA:**

- a. **Approve Anti-Lobbying and Residential Anti displacement and Relocation Assistance Plan**  
Staff stated that the Lake Worth Consortium, led by the Lake Worth CRA, is applying for NSP-2 funds to arrest decline and begin stabilization and revitalization efforts within a targeted area of the District. To apply for these federal funds, the Department of Housing and Urban Development (HUD) is requiring that states and local units of government sign and submit approved policies and certifications. The CRA must adopt an Anti-lobbying Certification and an Anti-displacement and Relocation Plan. Both were developed by Staff and reviewed by the CRA Attorney. The restrictions on lobbying are required by 24 CFR, part 87 Because the CRA will act as the lead agency, all consortia partners must abide by the approved plans and policies.

Staff requested that the Board approve the Anti-lobbying Certification and an Anti-displacement and Relocation Plan. Staff also requested the Board authorize the Chairs signature on the Anti-lobbying certification.

Mr. Blackman asked what the relationship is with the City for applying for this grant. Staff stated that the CRA will be the lead and all the consortium members must follow the plan that we lay out.

**Action:** Motion was made by Mr. Blackman to approve the Anti-lobbying Certification and an Anti-displacement and Relocation Plan seconded by Ms. Ross.

**Vote:** All Ayes

- b. **Approve Draft NSP Application and Certifications**

The Neighborhood Stabilization Program 2 (NSP2) seeks to address home foreclosure and residential property abandonment. Up to \$1.93 billion is available, from the Department of Housing and Urban Development (HUD), through the American Recovery and Reinvestment Act of 2009 to help stabilize neighborhoods that continue to suffer the deepening economic effects of devaluation and foreclosure. Eligible entities are states, units of general local government, nonprofit entities, and consortium of nonprofit entities. Any lead applicant may submit a proposal in partnership with one or more for-profit entities.

Mr. Marcinkoski entered the meeting at 5:53 p.m.

The Lake Worth CRA, in conjunction with the City and other consortium partners, are preparing a grant application which will be submitted as part of the competitive allocation process in pursuit of NSP2 funds for our targeted area. The total request amount is \$25M. To indicate to HUD that the entity or consortium has the ability to carry out NSP-2 approved activities, the applicant must demonstrate that the entity or consortium has carried out and completed such activities during the past 24 months involving at least 75 units of housing. 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

Proposals from the areas of highest need will be judged on: 1) capacity of the lead applicant to execute projects, 2) leveraging potential, 3) concentration of investment to achieve neighborhood stabilization, and 4) other criteria that the Secretary determines to be appropriate. Proposals must be designed such that the Grantee expends at least 50% of its award within two years and 100% of its award within three years of the date the award is made. The application deadline date is July 17, 2009.

The Lake Worth NSP Consortium proposes to use NSP-2 funds to arrest decline and initiate measures to help revitalize the target area. The target area includes 1764 parcels with approximately 130 units in foreclosure and 170 in pre-foreclosure. All of the census tracts in the target area meet the HUD requirements for foreclosure and vacancy rates, making the area qualified to apply for funding. No less than 25% of the requested 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. A list of Lake Worth Consortium Partners is listed in the Program Summary.

The non-profit Consortium Partners include agencies and organizations that can provide services and programs, in addition to housing, so a comprehensive plan of stabilization can evolve. These other services include financing, counseling, education and skills training, access to employment opportunities and other support services. The for-profit partners include local developers to provide rehabilitation, demolition services, and new construction, as well as, a firm to provide such services as appraisals, inspections, internal audit and support with the management of federal funds. The CRA has received signed consortium agreements from most of the listed partners and anticipates receiving the remainder before the grant submission deadline. New agreements with more specificity will be required if and when the CRA receives funding.

The NSP-2 Grant requires that certifications be approved by the state or local government applying for funding. These include that the lead agency will affirmatively further fair housing, has a residential anti-displacement policy in place, states that the agency has the authority to carry out the program and ten others. The Board must approve the list of certifications in advance of submitting the grant request.

Staff requested that the Board approve the preliminary NSP-2 program summary and the Chair's approval on the supportive needed documentation and certifications.

Staff stated that the CRA will keep 10% of the total grant for administrative purposes. One of the grant requirements is internal audit. The CRA has brought in the Urban Group for this.

Susan Cabrera, from the Housing Leadership Council, stated that this grant will be very competitive. If we do not get this funding then there will be other opportunities. HUD will give the answer by December 1<sup>st</sup>. The application is based on need and I believe we will score at least 35 out of the 40 points necessary to qualify. Lake Worth is exactly the target area that would qualify and there would be true stabilization and the tax base increasing. All of the funds must be used to purchase foreclosed or abandoned residential properties.

Laurie Witkin: It sounds nice to have the Federal Government rehab our City. Does HUD pay for everything? Do they buy the property and rehab it or does the City have to contribute. Who determines what we will pay for the properties. Are you obligated to use the consortium partners or will the projects be going out to bid. Are these properties going to have to be owner occupied? If

they are sold to landlords or investors is there any control to have them maintain the property? Is the art district in the same area? Is there anything to do with artists? Has anyone done the numbers and figured out what we can pay for these properties, cost of rehab and what market value would be. My concern is that the City does not lose money.

Pamela Melvill- These are foreclosed properties being rehabbed are they for low income. If so, I don't understand the point. You are taking it away from someone that lost it and giving it back to the people that lost it basically. Who are these rehabbed homes going to be for? I have not heard anything about the art district. I am interested in having a commercial space with inexpensive rent.

Mrs. Cabrera stated that many of these homes will be reserved for people that qualify below 50%AMI. The homes that are being targeted are at 120% and below of AMI. Teachers and government employees all qualify. The average wage for Lake Worth falls into some of the lower categories. Chair stated that 120% of AMI for a four person household \$90,400. The homes must be completely foreclosed upon or abandoned for 90 days.

**Action:** Motion was made Mr. Grimm by to approve the draft NSP grant and certification seconded by Mr. Blackman

**Vote:** 5 Ayes, 1 Nay

- c. **Approve Memorandum of Understanding with National Community Stabilization Trust**  
Representatives from the National Community Stabilization Trust met with CRA Staff after learning of our efforts in requesting NSP-2 funds from HUD. Work performed by the Trust is sponsored by the Housing Partnership Network, the Local Initiatives Support Corporation (LISC), the National Urban League and Neighbor works America. The Trust facilitates the transfer of foreclosed and abandoned property from financial institutions to localities to help promote neighborhood stability. The Trust has formed relationships with the nation's leading financial institutions including Fannie Mae, Wells Fargo, Citigroup and others.

The Trust is notified of foreclosed/ real estate (REO) properties before they are made available to the public and immediately after the completion of the foreclosure process at a purchase price that reflects savings associated with long hold times. The Trust's acquisition program provides the locality with the right of first offer to (REO) properties on an ongoing basis. The Trust also provides technical assistance to the buyer until the sale is complete.

The Trust is offering the Lake Worth CRA access to their services in conjunction with our redevelopment efforts. This service is provided at no cost to the CRA.

Staff requested that the Board approve the Memorandum of Understanding between the Lake Worth CRA and the National Community Stabilization Trust and authorize the Chair to sign the Agreement.

Mrs. Materio expressed concerns that no City Commissioners were in attendance for this meeting regarding NSP. Mr. Blackman stated that the CRA had taken the lead in applying for the \$25 Million in NSP funds.

Staff stated that the surplus property is only City surplus property in the NSP grant.

Mr. Marcinkoski requested that all back up material be posted.

**Action:** Motion was made by Mrs. Materio to approve the memorandum of understanding with the National Community Stabilization Trust and the Lake Worth CRA to authorize the Chair to sign the agreement seconded by Mr. Grimm.

**Vote:** All Ayes

V. **BOARD MEMBER COMMENTS:**

**Ed Grimm**- No Comment.

**Wayne Marcinkoski**- Thanked the Chair for running the meetings. I would like to have something on the agenda for Dave's Last Resort tripping over pavers. Can staff do this on their own or do we need to place

this on the agenda.

**Donna Ross**- No comment.

**Wes Blackman**- Looking at the map and the number of properties that are foreclosed we need to remember that we have our work cut out for ourselves. We are looking at a 30 block urban area where the money will be quickly dispersed.

**Shanon Materio**- I have a conflict with Tuesday night's meeting and I will not be able to attend since it may be our last time I would like to say that 10<sup>th</sup> Avenue looks great. If nothing else gets done but this NSP project I feel like we have done great. I thank Joan for having the opportunity to work with her.

**Mark Rickards**- I echo those comments. Staff has worked really hard for the last month to put this grant together.

The Executive Director thanked Staff and Susan Cabrera for all of their help.

Chair hoped that the Commission was listening and that everything is available online.

VI. **ADJOURNMENT:**

Meeting adjourned at 7:05 p.m.

Minutes Approved 8.25.09



Mark Rickards  
Chair, CRA Board



Emilia Theodossakos  
Recording Secretary