



CRA BOARD MEETING OF: September 11, 2018

OLD BUSINESS

AGENDA ITEM: 13.E.

SUBJECT:

Consideration of Responses to a RFP/RFQ for Redevelopment of CRA-Owned Properties within the MLK, Jr Boulevard Corridor

SUMMARY:

At their June 12, 2018 meeting, the CRA Board approved the issuance of the Request for Proposals and Developer Qualifications for the Martin Luther King Jr. Boulevard Corridor Redevelopment Site (RFP/RFQ) (see Attachments I.A. & I.B.). The RFP/RFQ was released on June 18, 2018, with a submission date of August 20, 2018, on which the CRA received two development proposals (see Attachments I.C & I.D): Neighborhood Renaissance Inc. (NRI) and Centennial Management Corporation (CMC).

As with most RFPs, the CRA identified incentives such as land, direct or indirect funding, design or site plan assistance, infrastructure support and partnerships to private sector developer to make the Agency's desired redevelopment projects more attractive and financially feasible. The CRA Board approved \$1.2 million in their FY 2017-2018 Budget to assist with this project as well as contemplated providing the land at no cost to the developer. The RFP/RFQ also encouraged respondents to acquire adjacent properties whenever possible or feasible to create a larger, more impacting project. Additionally, the CRA-owned vacant land has the appropriate land use and zoning designations to accommodate the Plan's desired mix of commercial and residential type of development.

NRI's development proposal consists of a mixed use, mixed income project with three components: Commercial space, affordable apartments, and infill homeownership opportunities (single-family residences and townhouses). The commercial component consists of two 4,300+/- square foot buildings, built in two phases, within the CRA-owned parcels located at the northwest portion of the corridor. The commercial/retail component consists of a mix of retail/cafe shops, restaurants, exercise classes and personal care services, office space, daycare or pre-school, and/or neighborhood services with affordable rent preference for local businesses and initial offering to other nonprofit/community based organizations. On the CRA-owned parcels, south of MLK Jr. Boulevard, NRI proposes 80 affordable multi-family rental units (600-800 s.f/unit, 56 - 1bd/1ba units, 24 - 2bd/2ba, up to 60% of Area Median Income or AMI) and six attached "live-work" townhouse units with studios on the ground floor fronting MLK Jr. Boulevard (2bd/2ba, 60-120% of AMI). NRI also included single-family homeownership opportunities (\$180,000 to mid \$220,000's, up to 120% of AMI and a 15 year maintenance of affordability period) for the remainder of the CRA-owned parcels

scattered throughout the eastern portion of the corridor. The overall project design is generally consistent with the CRA's urban and architectural design guidelines.

Financing is proposed using the CRA owned parcels at a cost of \$10 with the \$1.2 million in CRA funds plus an additional \$400,000 in CRA funding as a loan for construction of the commercial portion of the project. Financing for the 80-unit apartment complex would be either through SAIL funding, 4% LIHTC funding, non-competitive tax-exempt bonds, or CRA Tax Increment Revenue funding, depending on various conditions and assumptions. If SAIL funding is used in conjunction with tax exempt bonds and 4% Low Income Housing Tax Credit (LIHTC), 80% of the development will be set aside for elderly residents. The townhouses would be built as "for sale units" but funding for these units was not clearly identified. NRI intends to lease the commercial space at below market rents and encourages the creation of a urban gardening program and other community engagement activities to take place within the area. Local hiring and training and community benefit programs and goals have also been incorporated into the proposal utilizing a local nonprofit to provide outreach and resources to and from the community.

It should be noted that NRI's proposal incorporates privately owned parcels (Larann, LLC's) but did not include an acquisition strategy or costs for these lots in the project's pro formas. Additionally, NRI did not include the required legal history pursuant to Section VIII, Proposal Submission Requirements, Item 18 (Page 6 of the RFP). However, the CRA Board may, *"...elect to waive requirements and/or irregularities either for all responses or for a specific response, which the CRA, in its sole discretion, deems non-material..."* pursuant to Section X, Disclosure.

CMC proposed a 60 to 90-unit multi-family rental complex with a retail component on CRA-owned properties along the north and south sides of MLK Jr. Boulevard. The proposal indicates that the commercial retail square footage, final design, and layout will be determined at a later date after community outreach and input have been analyzed by CMC. It is also CMC's intention to bring local tenants to occupy the commercial spaces. All residential units will meet HUD's definition of affordable housing, serving households making 33% and 60% of AMI and the overall design is generally consistent with the CRA's urban and architectural design guidelines.

In addition to the CRA parcels, CMC includes an option to acquire the privately owned parcels adjacent to the CRA owned lots to create an expanded development site. The addition of the privately owned parcels would require a non-contingent closing which would be done at the expense of CMC. CMC would request the CRA's land for \$10 and utilize the \$1.2 million incentive. CMC's proposal provides 13 various funding scenarios and unit counts depending on the desires of the CRA Board, some of which are the 9% LIHTC, SAIL and 4% Housing Tax Credits, and CRA funding only. In some of the funding options described in CMC's proposal, the CRA's parcels could be purchased as part of the financing package. Additionally, CMC also indicated that they conservatively did not assume any operating income from the retail space and their response includes a detailed community engagement, local hire, and local non-profit participation component.

The RFP/RFQ provided for evaluation scoring and ranking of each proposal based on seven categories of experience with comparable projects, development plan, financial plan, use of CRA incentives, financial commitment and equity investment, experience with bringing additional subsidies, and development timeline (see Attachment II). The staff level evaluation committee was comprised of CRA Executive Director Michael Simon, CRA Assistant Director Thuy Shutt, City of Boynton Beach Development Department Director Mike Rumpf and City of Boynton Beach Economic Development and Strategy Director David Scott. The results of the Evaluation Committee's evaluation and scoring

ranked CMC 1st and NRI 2nd (see Attachment III). The CRA Board will have the opportunity to hear presentations by both respondents and to score and rank each proposal at the September 11, 2018 meeting. Scoring sheets are provided in Attachment IV.

FISCAL IMPACT:

FY 2017-2018 Budget - Project Fund Line Item #02-58100-203 - Architectural Services: \$150,000; and FY 2017-2018 Budget - Project Fund Line Item #02-58200-406 - MLK Corridor Redevelopment, CRA Property: \$1,200,000.

CRA PLAN/PROJECT/PROGRAM:

2016 Boynton Beach Community Redevelopment Plan - Heart of Boynton District and the Downtown Vision & Master Plan.

CRA BOARD OPTIONS:

By separate Motions:

1. Score and rank the proposals based on the RFP/RFQ evaluation criteria and select a respondent; and,
2. Authorize CRA staff and legal counsel to begin negotiations with the selected respondent with monthly progress reports to the CRA Board within a maximum 60-day negotiation period

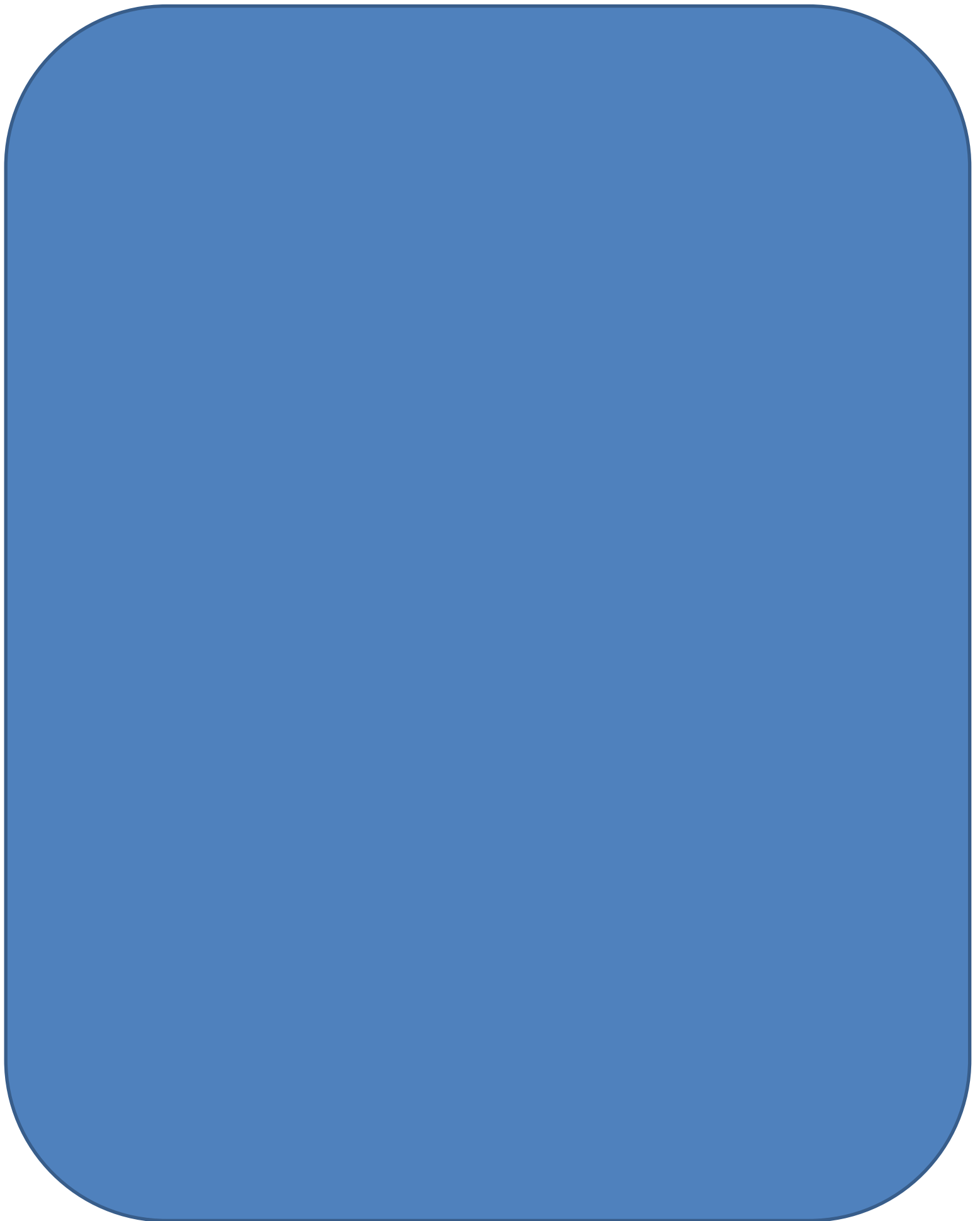
Alternate Motions:

3. Reject all proposals and terminate the RFP/RFQ; or,
4. Consideration of other options or direction as determined by the Board.

ATTACHMENTS:

Description

- ▢ **Attachment I.A. - MLK Jr. Blvd Corridor RFP/RFQ and Addenda**
- ▢ **Attachment I.B. - 2016 CRA Plan Heart of Boynton District**
- ▢ **Attachment II - RFP/RFQ Submission Evaluation Criteria**
- ▢ **Attachment III - RFP/RFQ Submission Sufficiency & Evaluation Committee Results**
- ▢ **Attachment IV - CRA Board Evaluation Form**



approved. Attorney Duhy indicated if a budget amendment was necessary at that time, this item can come back to the Board.

Motion

Chair Grant motion for the budget approval with the direction of a tree lighting to be available at the Holiday Boat Parade. Commissioner McCray seconded the motion.

Attorney Duhy wanted to clarify the motion for approval was for Resolution No. R18-02 Adopting the CRA Budget for FY 2018 – 2019 and providing for an effective date which has been presented.

Board Member Casello asked if the costs for the Holiday Boat parade were being shared with any other Cities. Mr. Simon replied the City of Delray was matching all of the marketing expenses related to the joint effort. Each City was taken care of costs on their own site. Board Member Casello noted he like the idea of the tree lighting at the Boat Parade. The most successful tree lighting was after the holiday parade with a large number of people.

Vice Chair Romelus asked about the \$100,000 in the contingency fund.

Ms. Hill replied this was for hurricanes and other disasters. This fund rolls over each year. Board Member Katz asked if there were restrictions if the board would try to do something on the bridge. Mr. Simon responded there are many different agencies which must be coordinated in order to do anything with the bridge. Chair Grant stated the intracoastal bridge was part of the Federal Government.

Chair Grant acknowledged there a motion with a second on the table.

Vote

Unanimously passed.

E. Consideration of Responses to a RFP/RFQ for Redevelopment of CRA-Owned Properties within the MLK, Jr Boulevard Corridor

Attorney Duhy stated after the presentation staff could do a summary, and choose the appropriate respondent. A ranking sheet has been provided for board rankings.

Presentations:

Michael Pecar, Neighborhood Renaissance, Inc., Real Estate Development Director, thanked the board for the opportunity to present the proposal of the MLK corridor. Mr. Pecar provided some information on Neighborhood Renaissance, Inc.

Currently Neighborhood Renaissance was working with the CRA in the City of Lake Worth completing the construction of Westwood Art lofts. This was a community of 8 townhomes for sale to artistic and creative households, four of these townhomes are available for low income households through the purchase assistance program which Neighborhood Renaissance were awarded through the County. Also included was a 200 square foot commercial building which was being offered at an affordable rent to attract established new innovative businesses in the City of Lake Worth. In August construction began on Mango Cove, a 36 apartment unit community on Florida Mango Road which will be ready for occupancy in 2019. The rents will be below market value. These units are affordable to households earning less than 120% of the area median income. Their partner was Palm Beach County.

Mr. Pecar introduced his team to the Board. Stated the executive team has more than 90 years of experience in all aspects of commercial and residential development.

The proposal consists of a mixed use, mixed income project with three components: Commercial space, affordable apartments, and infill homeownership opportunities. The commercial component consists of two 4,300 square foot buildings, built in two phases, within the CRA-owned parcels located at the northwest portion of the corridor. The commercial/retail component consists of a mix of retail/cafe shops, restaurants, exercise classes and personal care services, office space, daycare or pre-school, and/or neighborhood services with affordable rent preference for local businesses and initial offering to other nonprofit/community based organizations. On the CRA-owned parcels, south of MLK Jr. Boulevard. Neighborhood Renaissance has proposed 80 affordable multi-family rental units, and six attached "live-work" townhouse units with studios on the ground floor fronting MLK Jr. Boulevard. Neighborhood Renaissance has also included single-family homeownership opportunities of \$180,000 to mid \$220,000's, up to 120% of Area Median Income (AMI) and a 15-year maintenance of affordability period, for the remainder of the CRA-owned parcels scattered throughout the eastern portion of the corridor. The overall project design is generally consistent with the CRA's urban and architectural design guidelines.

Financing was proposed using CRA owned parcels with \$1.2 million in CRA funds plus an additional \$400,000 in CRA funding as a loan for construction of the commercial portion of the project. Financing for the 80-unit apartment complex would be either through SAIL (State Apartment Incentive Loan) funding, 4% Low Income Housing Tax Credit (LIHTC) funding, non-competitive tax-exempt bonds, or CRA Tax Increment Revenue funding (TIF), depending on various conditions and assumptions. If SAIL funding is used in conjunction with tax exempt bonds and 4% LIHTC. The townhouses would be built as "for sale units". The applicant, Neighborhood Renaissance, intends to lease the commercial space at below market rents and encourages the creation of an urban gardening program and other community engagement activities to take place within the area. Local hiring and training and community benefit programs and goals have also

been incorporated into the proposal utilizing a local nonprofit to provide outreach and resources to and from the community.

A comprehensive approach to the redeveloped of the Martin Luther King corridor includes three components, affordable rents, attractive commercial and retail usage and home ownership. This proposal includes a commercial retail building on the CRA's north parcel which will provide economic growth opportunity to local entrepreneurial and business owners as well as needed goods and services to the existing and new residents of the Heart of Boynton. There will be an apartment complex, which will be affordable to household income which would be less than 60% of AMI. There is a mix of homeownership, single family and townhomes. South of the retail are six live work lofts. The plan was to develop all three components at the same time for maximum impact. This approach has worked in the past. The cost of this development was over \$27M. Neighborhood Renaissance was asking the CRA for the investment of land, lump sum contributions, loans and annual tax increment funding. The commercial building and plaza will need an investment of \$1.6M, the apartment complex which has from 80 to 100 units, would have a variable investment, it was dependent on whether or not they receive Florida Housing Financing funding as the SAIL around as low as \$2.8M to as much as \$6.8M if they are unsuccessful with Florida Housing Finance. The construction of ten homes and townhomes will require purchase assistance to the buyers of approximately \$34,000 each. This was a large commitment. If the entire program was implemented this would be a catalyst for future private investment in the corridor and in the Heart of Boynton. The CRA and the community return of its investment will yield many economic and community benefits.

Mr. Pecar indicated the apartment development was a maximum of four story building. The parking was hidden from the public street and sidewalks behind the building. The building was setback from the property line in order to accommodate water, sidewalks, canopy, trees, landscaping, street parking and new street lighting. The apartment complex would be completed November 2021. The proposal required acquiring private property. It is and was included in the costs. There have been conversations with the private owners and if selected their plan was to enter into negotiation with the private owner during the due diligence period to have a purchase contract in place to make an application with the Florida Housing Finance. The financing strategy would include making the SAIL application November 27, 2018 for approximately \$6.2M of SAIL funds to be used with 4% tax credits and bonds. If they are unsuccessful they could use the CRA tax increment revenues in the amount \$625,000 per year with 4% tax credits and bonds. The other alternative would require no contribution except for land from the CRA. This would require to wait one year for the next round of 9% tax credits. The current 9% tax credits were due October 25, 2018. In all cases they would pursue other financing and subsidy sources including the impact fees that the County has for affordable housing each year.

The first phase of commercial development includes a 4400 square foot retail building and a public plaza. The parking was behind the building. The plaza could be used for farmers and craft markets and entertainment events during the year. They hope to be able to attract people from the Heart of Boynton and outside as well to introduce them to what they have to offer. The retail building includes three to four micro retail units which were as small as 250 square feet and can be leased for a period as short as one week to 6 months. This will give the opportunity for the entrepreneur the ability to test their concepts. They see them being leased by craftsman's, artist, inventers, smoothies, ice cream or bakery shops. Mr. Pecar indicated this could be done by June 2020. The financing strategy would be the rents will support a \$300,000 first mortgage, a CRA contribution of \$1.2M, a 20-year loan from the CRA of \$400,000 and a tax increment funding for 15 years at \$12,000 per year. An alternative was called an opportunity fund, which provides equity and loans at a blended rate of 3.2%, which brings down the cost of financing.

Homeownership includes six live/work townhomes which are adjacent to the apartment complex and across the street from the retail plaza. They have up to four townhomes or single-family homes on the balance of the block would be offered for SAIL to the owner/occupant for the price of \$180,000 to \$220,000, which was affordable for households earning less than 120% of the area median income (AMI). It would require a subsidy of approximately of \$34,000 per unit. Mr. Pecar stated they have a good track record on their homeownership projects of obtaining Federal, County and local funds for down payments assistances for the buyers. The completion time would vary. They would be working with the Faith Based Community Development Corporation (CDC) for community input during site plan and building design. The CDC will implement the local hiring and procurement program to use local workers for the projects.

The benefit would be an increase in real estate tax bases by an investment of \$27M, and increase the availability of affordable housing in the area. They want to create a homeownership market in and around the MLK corridor. The new community serving uses would be valuable, including the retail commercial and office space which was being provided. Economic development by bringing in jobs during construction and permanent employment during the operation of the retail commercial stores.

Board Member McCray asked if the Neighborhood Renaissance was awarded the contract when they would begin to schedule meetings to hear what the community wants. Mr. Pecar replied they will work with the CDC. Neighborhood Renaissance has been in the City of Boynton and they will work with the Coalition of Clergy along with the other neighborhood groups.

Board Member McCray asked how fast would Neighborhood Renaissance meet with the community. Mr. Pecar advised as soon as they are selected.

Board Member McCray inquired who was responsible for the advertisement. Mr. Pecar responded they would be responsible with the help of the local CDC. They take full responsibility for all the advertisement of community input meetings.

Board Member Casello inquired if he could go over the finance plan and what was he looking for from the CRA. What was the best and worst scenario?

Mr. Pecar replied for the retail they need \$2M in construction for a 4400 square feet building. The affordable rents; they rent would support a first mortgage of \$300,000 and in addition they need to make up \$2M. They are requesting \$1.2M of CRA contributions, \$400,000 a loan of 20 years to be paid back to the CRA. And the TIF created by the project, that would be \$12,000 per year for 15 years.

Board Member Casello indicated he wanted to clarify what was needed, \$1.2M in cash, \$400,000 loan, and \$12,000 per year of TIF funding.

Board Member Katz asked if that included the CRA land as well.

Board Member McCray asked how successful they had been with receiving tax credits.

Mr. Carlos Toledo, Development Manager noted the 9% tax credit process was extremely competitive. Explained sometimes it has taken years to complete a project. Local government contributions are required, which was usually \$600,000 and there was competition against other municipalities and other Counties. It was difficult.

Board Member Casello stated the last one that they went through was with Ocean Breeze East there were 34 applicants. Once they won they had to go to court to verify.

Mr. Toledo stated 34 within the six large County area. For each county there was a certain amount. The local government match was \$600,000.

Mr. Pecar said there are three different opportunities during a 12-month period. There was the 9%, there was the SAIL which was due November 22, 2018, that was not as competitive as the 9%, there was another one, which applies to redevelopment agency. The fourth one was they try to go on their own, the CRA tries to fund the project

Board Member Katz asked for the best and worst case scenario. Mr. Pecar replied this was for the commercial not residential. The apartment development was an 80 to 100 unit building. This was a \$27M project.

Board Member Katz summarized the total financial break down. If 9% tax credit was used the CRA would need to pay a certain percentage. Board Member Katz stated he would like to see a side by side comparison.

Mr. Pecar stated he had most of the parameters. If they received \$6.2M from the State for the SAIL fund, the request to make up the gap would be \$200,000 per year. About

\$2.8M was the present value. Without any help from the State they would need \$6.8M which is essentially what the SAIL would have provided.

Board Member Katz indicated the CRA does all the heavy lifting. He likes the idea of what was done for Ocean Breeze East. If the tax credits fail, they would be able to move the project forward.

Board Member Casello asked the value of the land owned on MLK. Mr. Pecar stated the estimated value of the land was \$800,000.

Chair Grant noted Neighborhood Renaissance did not include the area east of Northeast 9 Avenue or NE 3rd street. This was a current vacant lot CRA owns. Mr. Pecar asked if this was near the railroad tracks. The budget was part of the MLK Corridor. Mr. Pecar stated it was zoned Commercial and the Community Caring Center was going to build a facility there.

Chair Grant noted there was still uncertainty about the Community Caring Center. Asked if this was something he was willing to work with the Community Caring Center, Mr. Pecar agreed there was a lot of opportunity to work with the Community Caring Center.

Board Chair noted he has been speaking with people regarding moving the historic Woman Center of Boynton Beach. Currently that facility has 22 parking spaces, which was not enough parking. He believes this would revitalize that area. Inquired if that was something his company was willing to do.

Mr. Pecar confirmed they would definitely make it available.

Chair Grant indicated he has gone to the Grandview Market and they have revitalized the area. He does not think the small retail spaces will revitalize the area. The community has been asking for a grocery store or a larger consignment shop.

Board Member McCray did not agree with moving the Women's Center to the MLK corridor. He wanted to see an analysis.

(Vice Chair Romelus left dais at 8:16 pm)

Paul Bilton, Centennial Management, thanked the CRA for the opportunity to bring a vision of La Brisas Estates to the City of Boynton Beach. Centennial Management has been in the affordable housing business and the development business for almost 40/ years. They have developed more than 3000 residential units, most of which were affordable. Centennial Management has partnered with the City of Hallandale Beach, Miami, and Town of Davie to complete affordable housing communities. They have worked with the City of Boynton Beach CRA to create Ocean Breeze East. Centennial Management has the ability to do everything from A to Z, from acquisition, development, which includes a construction division, as well as property managers. They specialize in

multisource financing, provided letters of commitments from various banks and various options. Centennial Management current portfolio includes 3000 residential units, 900 square feet of residential and commercial buildings. Part of the plan was to approach Florida Housing Finance Corporation for tax credit funding, or SAIL funding.

Centennial Management was committed to providing 2500 square feet of commercial space. The site plan would vary based on the number of units which the CRA would prefer them to pursue.

The maps are where they show which properties can be acquired by private owners and the CRA. The most viable financing option was 1-A. Centennial Management would build 90 units, apply for tax credits to do so without acquiring land from anyone else. If they fail to get the tax credits they would move on to SAIL funds. If that did not work, they would speak with the City about TIF fund. Centennial was willing to purchase the lots on the North and South for \$2M, if the City of Boynton Beach CRA would give them up to three years to go through the application cycle. Centennial Management were willing to give the CRA a reverter clause so the property would go back to the City.

Chair Grant stated the 13th option, the CRA would not get any of the Florida Housing Tax Credits, Centennial Management has the option of the CRA grant of \$1.2M plus the CRA tax incremental revenue for 15 years for a total of \$1.5M. Mr. Bilton replied yes. Chair Grant asked if that was the worst case scenario. Mr. Bilton stated that was one which would not be talked about when you see the TIF amount. This would be the worst case scenario.

Chair Grant stated there are so many different options available. Asked if there was anything else other than the financing for the MLK corridor. Chair Grant indicated the CRA was looking for retail. Asked about the Bell property which included Robinson Barbeque. Chair Grant stated he believed the property was zoned MU1 not MU2.

Mr. Bilton responded the representative for the Bell properties was asking \$2M for a property which would generate only 12 units.

Board Member McCray inquired how Centennial received the project name. Indicated they are not a Spanish District. The Board want the MLK corridor to be a vibrant place with various shops, they do not want a housing project.

Ms. Swezy indicated the City was investing a lot of money to revitalize the area.

Board Member McCray said he understands and wants to go for a thriving City. He cannot support a housing project on MLK Boulevard.

Board Member Katz said the potential residential units has the potential to have some retail units.

Mr. Swezy stated they would be more than happy to do that. Many times they build them and they remain empty. They are willing to close on the land to help the City recoup the money they have already invested and provide a beautiful new community redevelopment with new apartments.

Board Member McCray stated when you build them they may come. The Board was looking for retail.

Chair Grant indicated there was a cost to have retail that was something that could be discussed. The Board was trying to select a partner to move forward with the MLK corridor.

Mr. Bilton stated in order to fund the retail portion, they were willing to pay \$2M. There was a lot of flexibility.

Board Member McCray stated he understands they are willing to work with staff and the City. But what he does not hear was that they were willing to work with the citizens.

Vice Chair Romelus thanked Mr. Bilton for the financial breakdown. First of all, this project was missing the homeowner aspect. The City wants to create affordable housing, but also create a vibrant business community. Vice Chair Romelus felt there was no honor being given to an historically black community. Stated there was a lot of work which needed to be done. She was not sure if it was on the CRA part, but she was expecting something different.

Board Member Casello stated he does not feel they should go on a racial divide. The City can build some property and the property remain empty. We are trying to break down the racial barriers. It was for the good of the whole City. It was not about the Black community versus the White Community. People from all districts should be able to shop. Board Member McCray stated they are not trying to racially divide the City. Every City in America has a historically black community. They have their own identity. Many things were taken away from the Black people in Boynton Beach. We have heritage, this was not racially divided. Vice Chair Romelus pointed out Board Member Casello was a person of non-black origin, and did not have that experience. This was never a black or white issue. This was historically a black neighborhood. She believes they have an obligation to attract other people when they come to see a historically black area. Vice Chair Romelus wanted to honor community. She was not asking for a divide. They are asking for the revitalization of their neighborhood

Board Member Katz related in regards to the cultural component, he assumed the cultural component would be the art component. He believed that plaques pay homage. He has a couple of concerns. He liked both companies; having those dollar comparisons would be nice, some type of comparable, which may change the dynamic. CRA staff direction should provide a comparison. He would like to see it side by side. There was no urgency to approve now versus 30 days from now. The \$2M for the Bell property would

produce 11 units, was mind blowing. He said personally, in supporting any proposal, that if the CRA would not put in some heavy funding, if they were not willing to negotiate a reasonable cost.

Vice Chair Romelus asked what they were willing to change about the proposal, such as homeownership aspect, incorporating more retail space, single family housing. Mr. Swezy said currently their plans did not incorporate those lots. They can build single family housing. Vice Chair Romelus asked about the adjacent lots to build single family housing for home ownership. Mr. Swezy replied they can build some townhomes. Vice Chair Romelus asked about retail on the first floor. Mr. Swezy indicated it was possible to have some retail space. Centennial Management was willing to work with the City.

Chair Grant said looking at the RFQ, on CRA property, the future land use map which was given was mix use low. What controls the mix use low at density cap 20 units per acre? The mistake was made with 40 units. Mr. Swezy replied the CRA staff requested a review on those recommendations on both the east and west side. In the new zoning matrix, there was a one, two and three. There are areas which allow for a 30, 40 units. This was something which could be discussed.

Chair Grant stated MU2 was not in the current future land use. Mr. Swezy stated they needed to do a land use change. The City Commission and the process governs the City's direction.

Mr. Swezy stated the vision in the plan was for multiple units.

Chair Grant asked if they were moving forward with the ranking. They have the ranking system which the CRA staff completed. Board Member Katz said as it pertains to the ranking system, the board never ranked any of the proposals which staff completed. It seems the impetus of more control, to provide an opportunity to do this. He has a personal philosophy, they are elected officials, political and objective. He viewed the ranking to be an expert analysis, which was political and objective. He was not going to complete the scoring form. He lacks any expertise to evaluate applicants on this level. He believes this was the responsibility of staff. Board Member McCray said he was on the same avenue as Board Member Katz. In his opinion a lot was lacking in both presentations. He did not see any retail. He needed to rely on staff. The first one did not give any comparison, the last one did not emphasize retail. They need more time to go through this again. He was not satisfied. Chair Grant agreed with Board Member Katz. He would prefer staffs' ranking. Board Member McCray asked staff if they have seen the presentations or were they as confused as the Board.

Mr. Simon responded there was potential in whichever organization would be selected to begin some discussion. Staff will take the comments tonight and bring back more details or begin some discussion in greater detail with the selected respondent.

Board Member McCray asked when staff will meet with the citizens in Boynton to find out what they want. There need to be dialog. We needed to make sure that we are on the same page.

Mr. Simon envisioned this process being similar, once a company was selected, to discuss the different options and what they were willing to commit. As with Town Square they had four or five meetings with the citizens regarding the themes. There was an opportunity to engage the community with the developers, rather than just trying to have the developer to figure it out.

Board Member McCray noted when all of this started the CRA, held charrette in District 2. The citizens in District 2 met several times.

Mr. Simon responded the CRA have the records from 2014 and 2016. Board Member McCray stated they met in the 90's. Inquired if anyone have those records.

Vice Chair Romelus stated she would not be ranking the individuals. She believes this process was a wash. She does not feel that either applicant brought back what the Board was looking for. She believes they need to go back to the drawing board.

Board Member Katz stated as a reflection and a recommendation, Mr. Simon described this project, as having a number of variables, unlike Ocean Breeze East. The proposal cast a large net. The Board said they did not want to bind or restrict the market demands. Both companies are highly qualified applicants. When too many options are given it becomes detrimental. Board Member Katz stated he trusts Mr. Simon and his staff. He would recommend coming back before the Board within 30-90 days to narrow the scope.

Attorney Duhay stated the board has options. One would be to have staff to do an analysis and make a more detail presentation of the financial options. would be possible for the Board to agree on criteria or assignments and ask each of the proposer to give them a certain period of time, during which time they could present different proposals for development.

Motion

Vice Chair Romelus indicated she would take the Board Attorney's advice in terms of having a 60-day period to allow for both applicants to come back with something which was more amenable to the Board; such as homeownership, retail, and honoring the black community.

Board Member Casello thanked both applicants for responding to the RFP. He understands it takes a lot of hard work and time to put this type of thing together. His question was it help the applicant to have some talks with the community and come back with more of a focus or idea what the community wanted. Board Member Casello stated they know what the board wants, but they would know what the community was asking.

Mr. Simon stated there was public here this evening and they could add to the discussion.

Board Member McCray seconded the motion.

Board Member Katz directed staff to give applicants 60 days to fine tune their presentation.

Mr. Simon stated having a few specific items the Board would like the applicants to work on was the key to releasing the companies.

Chair Grant asked can they extend the RFP and the cone of silence for another 30 days based upon the new requirements.

Attorney Duhy stated there was no need to extend the cone of silence because there was no selection made. All of the dates were variables. It purposed the board could come back in October. The cone of silence applied until a decision is made. Mr. Simon was directed to recite the criteria to both applicants.

Chair Grant stated Centennial Management was speaking about a November tax credit, and if we extend this they would not be able to get any type of housing tax credit for this fiscal year. They would need to wait until the next fiscal year.

Vice Chair Romelus stated she was not in a rush, especially since one of the applicants was proposing to try to get the 9% tax credit. There was no rush. Chair Grant stated he feels there was a rush to get development on MLK. Vice Chair Romelus stated she agreed, but she wanted it right.

Board Member Katz clarified the new information required to select a name to pay homage to the local community and culture, incorporate mixed use to allow for additional retail commercial development on the first floor, to allow for a walkable avenue, affordable housing is preferred. He does not know what to do in regards to the homeownership opportunities because when building multifamily units and four stories it becomes harder to sell condos in economically depressed area versus renting them. He does not know if this was being a conversion at a later date. He does not know what the direction of the Board would be in regard for homeowner opportunities when you are talking about not building single family units or townhomes versus the condos/apartments. These are the things he believes need to be fine-tuned.

Vice Chair Romelus noted she would like to hear from Mr. Simon if there was anything which needed further clarification.

Board Member Casello noted the applicants have direction.

Chair Grant stated he agrees with Board Member Katz regarding the homeownership opportunities. The CRA has provided homeowner opportunities in the Cottage District. There were 11 new homes available on N.W. 11 Avenue. Advised multifamily housing

and affordable homes do not work well in the same area. Vice Chair Romelus responded she would like to be given options.

Chair Grant requested a breakdown. Mr. Simon replied Board Member Katz presented the opportunities: review of the cultural neighborhood, component of the mixed use, walkability component, some type of possibility of a townhouse or some other type of homeownership within the zoning areas. In addition to those he would add further detailing of the financial planning, recognizing it maybe several options. As a development community, he would expect them to hone in on the best ones. It does not matter if it was 5 or 6, 13 was too much, 2 was not enough. Which would be easier to do with the additional time being allotted.

Chair Grant inquired about the deadline for staff to review. Attorney Duhuy stated it was November 11th would be 60 days.

Chair Grant asked how much time would staff need for the November 11th meeting. Mr. Simon responded by October 26. Mr. Simon stated 60 days to bring back to the Board was November 13th.

Chair Grant asked how much time would staff need. The Board would not look at it until October 29th. Mr. Simon stated the Board will direct the same evaluation committee to work together.

Vice Chair Romelus noted this was being reviewed by staff. Mr. Simon indicated yes. Chair Grant stated he would like to see their numbers.

Chair Grant stated there was a motion for 60 days to be extended based upon the new requirements.

Attorney Duhuy believed the motion was to approve direction to proposers as stated by Executive Director Simon.

Vote

Motion unanimously passed.

Board Member Katz noted to the two applicants he knows everything which was said will drive up the costs of the project. Don't be dissuaded from the discussion. There was consensus on the Board to try to move this project forward, they are looking to invest, if the price tag goes up and what the community wants and it fits, then they will move forward.

Mr. Simon stated they placed an additional \$400,000 in next year's budget, it was \$1.6M instead of \$1.2M.

Vice Chair Romelus suggested doing their homework on this community.

**F. Update Regarding the Sunrise City CHDO and the CRA Owned Properties
Located at NE 4th and NE 5th Avenues, a/k/the Cottage District**

Thuy Shutt, Assistant CRA Director indicated since the last meeting they have met with Sunrise Cities once face-to-face and once on a conference call. Sunrise City proposal was to presell all the units using section 8 vouchers, for the homeownership component, and give the CRA back \$1M and also the board direction was to make sure to maintain the price point at low to mid \$200,000 for those units. Since that time in August their team has added and subtracted numbers to their partnership and that was a concern. The changes are listed as change of Miller Land Planning, Inc. to be replaced by Aaron Taylor, Prof. Land Planner. Resignation of Eugene R. Fagan III, Technical Principal, Assante Architects. Addition of Bryan Fenney, Financial Consultant. A Bio has been requested but has not been received.

Ms. Shutt stated the CRA staff met with representatives of the Sunrise Cities CHDO (SCC) team to discuss the number and types of units, the proposed financing option (Section 8 Homeownership Voucher Program) or alternative which would provide the same price points (without the Section 8 Vouchers), and the overall feasibility of the project, including but not limited to, the funding commitments, amount and timing of the payment for the CRA-owned properties, and the overall project schedule.

The Sunshine City original proposal indicated that all the units will be sold prior to breaking ground through the Section 8 Homeownership Vouchers and a payment of \$1,065,000 to the CRA for the CRA-owned properties. Upon further discussion with representatives of Sunrise City, it was confirmed that only Public Housing Authorities (PHA) are able to give or administer the Section 8 program and that only 10-15% of the 61 total units (6-9 units) will be funded by the vouchers. SCC also indicated that there is no current partnership with a Palm Beach Count Public Housing Authority (PBC) PHA to commit to funding the required project based Section 8 Vouchers for the Cottage District Project, but they have had talks with a PHA serving the Deerfield/Boca area. Alternative financing options were mentioned by SCC for the remaining units (52 units). These include financing from a Community Development Finance Institution (CDFI), a loan, contribution from the CRA, home pre-SAILs, and private equity investors. Commitment letters from participating lenders or funding sources were both requested by CRA staff as well as the additional documents listed in the August 20, 2018 meeting notes.

Staff performed due diligence on Sunrise City Community Housing Development Organization (CHDO) representative projects in Pompano and Broward County and its financial capacity. Staff's research of the public records indicate that the two units have been completed, however, construction on the remaining two units have not begun and is out of compliance with the executed 2016 development agreement.