

Minutes of the Community Redevelopment Agency Board Meeting
Held on Tuesday, May 10, 2022, at 5:30 PM
via GoToWebinar Online Meeting and Commission Chambers,
City Hall, 100 E. Ocean Avenue, Florida

Present:

Ty Penserga, Chair
Angela Cruz, Vice Chair
Thomas Turkin, Board Member
Woodrow Hay, Board Member
Aimee Kelley, Board Member

Thuy Shutt, Executive Director
Tim Tack, Assistant Director
Kathryn Rossmell, Board Counsel

1. Call to Order

Chair Penserga called the meeting to order at 5:30 p.m.

2. Invocation

The invocation was given by Reverend Hay.

3. Pledge of Allegiance

Vice Chair Cruz led the Pledge of Allegiance to the Flag.

4. Roll Call

A quorum was present.

5. Agenda Approval

A. Additions, Deletions, Corrections to the Agenda

B. Adoption of Agenda

Motion

Board Member Hay moved to approve the agenda as presented. Board Member Kelley seconded the motion. The motion passed unanimously.

6. Legal

Kathryn Rossmell, Board Counsel, shared a brief point of interest, not directly relevant to the CRA. In the last legislative session, Senate Bill 962 was passed which allows commercially zoned property to have residential or residential mixed use in areas where

it was previously not allowed as long as it contains 10% affordable housing and it does not apply to the SAIL program. It may be of interest for projects that end up in the District. It was intended to encourage affordable housing outside of the SAIL program at the developers expense. The municipality cannot prohibit that from occurring.

7. Informational Items and Disclosures by Board Members and CRA Staff:

A. Disclosure of Conflicts, Contacts, and Relationships for Items Presented to the CRA Board on Agenda

Board Member Kelley disclosed she met with Affiliated Development regarding the upcoming agenda item. She thanked staff for the Rock the Plaza event on April 23rd noting it was a great success.

Board Member Turkin met with Nick Rojo of Affiliated Development about the pending agenda item and also attended the Rock the Plaza event and the opening of Mancave. He advised he got his second haircut there. Additionally, someone from Habitat emailed him earlier today, but the agenda item was not discussed.

Chair Penserga disclosed he met with Jeff Burns, Nick Rojo regarding Item 13C, Attorney Michael Weiner on Items 13C and 14C and Jennifer Thomason CEO of Habitat for Humanity regarding Item 13A. He also attended the same two events as above and praised staff. He spoke with Elizabeth Roque and Lewis Swezy of Centennial Management regarding Item 13B.

Vice Chair Cruz spoke with Affiliated Development on item 13C, Habitat for Humanity and spoke with Centennial Management.

Board Member Hay spoke with Elizabeth Roque of Centennial Management and attended Rock the Plaza which he praised.

8. Announcements and Awards

A. Rock the Block on May 21, 2022, at Downtown Boynton Beach

Mercedes Coppin, Business Promotions and Events Manager, reviewed the above event as contained in the agenda item, which will take place from 5 p.m. to 9 p.m. on E Ocean Avenue between Federal Highway and NE 3rd Street and portions of NE 4th Street by Dewey Park. There is live music and staff will promote the Boynton Beach Bucks program to promote downtown businesses.

B. Rock the Marina & Lionfish Derby on June 11, 2022, at the Boynton Harbor Marina

Ms. Coppin presented the above event taking place from noon to 4 p.m. on the 11th of June. This is the third annual event being hosted by the CRA highlighting the Marina.

The event will feature live music. Staff will activate the open space in front of the Marina and Intracoastal Waterway by the dockmaster building. Staff is accepting applications for the Lionfish Derby portion of the event. Interested certified divers can contact her or the CRA directly or visit the website to learn more. Chair Penserga commented at the last event, the fish were cooked by local chefs. He learned staff is currently working with local chefs to have a celebrity chef from a local restaurant. They will be offering Lionfish and other seafood components showing how to properly cook and prepare the fish.

Board member Hay announced the Boynton Beach Mental Health Committee presents *Remember and Healing Together* this Sunday, May 15th from 1p.m. to 5 p.m. at Centennial Park and Amphitheater. There will be music, food trucks and children's activities. He invited all to gather and remember all who lost the battle with Covid, noting formal closure did not occur for those families.

9. Public Comments

Chair Penserga read a statement about the Public Comment process.

Mark Karageorge, 2615 NE 13th Court, Unit 114, spoke as a resident and former CRA Board Member. He conveyed to all to appreciate staff as they know more than the Board. He knows Ms. Shutt from Westgate. She made things happen and the Board can learn from her. He noted the Florida Redevelopment Association (FRA) is coming in October and he encouraged the Board to attend and learn from top notch teachers. The Boynton CRA had been in the worst of the worst category and transitioned into the best of the best category. He implored the Board to maintain that reputation. New board members from all over the state will be learning and listening at the FRA Conference. He announced the Board is blessed to have Reverend Hay as he has more experience in the City and CRA than anyone else. He is a proven leader with a track record of getting results. As someone who has been there, he encouraged the members to listen. He thought the Board should invite Miles Blackman to attend a meeting and give the opening prayer at a City Commission meeting. He is bright and represents the future. He puts God first, family second, and learning third.

Susan Oyer, 140 SE 27th Way, announced the CRA conducted a survey years ago asking what the community wanted and the number one item was beautification and she is still waiting. She declared they need more trees or lighting and they need to do more. She requested Ms. Shutt be asked to review the survey. She brings up holiday lights each year and noted the City used to have lighting across the City and on Martin Luther King (MLK) Jr. Boulevard. She thought it should be part of the beautification efforts, which she has been advocating for, for years. She requested taking some money and making the lights distinctive on MLK, Seacrest, maybe Boynton Beach Boulevard, Gateway and other access points to the City to make the City more welcoming. They did this years ago and there is no reason not to return to their history.

Beautification is what the community wants. She commented the City has six months to address it before the holidays arrive.

Tom Warnke, 2780 Wooster Road, is on the City's Sustainability Action Team. For three years he was a volunteer, and they have touched on so many parts of the City. There is a plan to incorporate sustainability with each city department. Boca Raton is instituting a complete electric vehicle fleet and he would like to see that in Boynton. He commented Park Ranger vehicles do not need to remain running and the City can gradually convert the fleet to electric vehicles. The tree canopy program is off to a great start. He noted Leisureville can be seen from space because of the white roofs. He thought having trees in the swale will have all kinds of benefits and help cool the City and increase home values. He commented the Eco Park at Quantum will continue along the road and be a gem of a passive park. It was set aside for green space in the 1980s. He appreciated the City enacting its Ordinance to eliminate Styrofoam, plastic and balloons launches as they were all a problem. He noted they are done with the warning period for these items being on City property. He also requested, in the upcoming budget, funding the City Forester position. The City had a Forester in the past and the position is needed.

Ernest George Mignol, 710 NE 7th Street, Unit 407, stated a lot of elected officials do not use their real name, but he gave his. He stated he is a resident of Board Member Hay's District, who he contended has been a disgrace for 40 years. He (Board Member Hay) will not come over, the legal team and Commission will not do anything for them as they asked for some type of post Surfside building legislation after Surfside collapsed. He commented there is all kinds of stuff going on in his building. He requested the City do the right thing, which is what Boca Raton did in August by passing the legislation, but this Commission did nothing. He stated the Board is friends with Representatives Berman, Casello and the state attorney. He gets all kinds of calls from the public how can they help. He told the Board they are a disgrace, as they have phony names and lies and phony reports and failure to help people, and then they have meetings with the rotten police department. He commented the public cannot talk at police meetings. He waited an hour and forty-five minutes to talk, and when he went to do so, the police threw him out. The police say he is criminally trespassing, but asserted the signs apply more to the Board than the public. He asked with what is going on with Board Member Hay's Church and District II, he questioned where all the money went. The Preacher was fired. He thought Board Member Hay should resign and thought the CRA Board was crooked and they all should be investigated.

Kristie Ward, 1518 N Seacrest Boulevard, representing Faith in Florida and the Boynton Beach Coalition of Clergy advised she comes each Tuesday to stay before the Board to let them know the community is opposed to the Palm Beach County Sheriff Officer merger. The residents are still looking for justice, accountability and transparency. She commented the Board should not do things for self-gain, rather they should do things for their constituents. They can come together as one and make Boynton what it used to be. She has lived in Boynton all her life and she and her kids

want the best life possible. She requested the Board listen with their heart and consult with God before making any decisions for personal gain. She requested the members try to build Boynton Beach back to what it can be and live in harmony.

There was no one online. No one else coming forward, Public Comment was closed.

10. CRA Advisory Board

11. Consent Agenda

A. CRA Financial Report Period Ending April 30, 2022

B. Approval of CRA Board Meeting Minutes - April 12, 2022

C. Approval of 90-day Extension for the Commercial Property Improvement Grant for The Coffee and Ale Exchange, LLC d/b/a Bond Street Ale and Coffee Located at 400 N. Federal Highway, Unit 12

12. Pulled Consent Agenda Items

None

Motion

Board Member Turkin moved to approve the Consent Agenda. The motion was duly seconded and unanimously passed.

13. Old Business

A. Discussion and Consideration of Letters of Intent for the Boynton Beach CRA-owned Properties located at 402 and 404 NW 12th Avenue

Thuy Shutt, Executive Director, presented the item and explained the property was purchased by the CRA prior to the Palm Beach County Housing Authority auction for about \$72K and the other property was purchased for \$170K. The CRA received a Letter of Interest from Habitat for Humanity in January requesting a transfer of both properties for Habitat to construct an affordable three-bedroom, two bath, one car garage single-family home. The CRA needed to post a 30-day notice regarding the transfer and on April 18th, the Boynton Beach Faith Based CDC submitted a letter to purchase both properties for \$30K each. The decision is up to the Board and she reviewed the options as contained in the agenda item. Staff worked with both organizations regarding affordable housing in the past.

Jennifer Thomason, CEO Habitat for Humanity, explained they have an interest in the property. Their program is based on homeownership, financial sustainability, financial

education, and sweat equity. The individuals who would live in the home go through 100 hours of financial literacy education and contribute 300 hours of sweat equity helping to build homes for other recipients as well as their own. Recipients are a different type of citizen. The recipients would have a much higher chance to pay the mortgage, remain financially sustainable and be a contributing individual to the community. Habitat for Humanity also performs neighborhood revitalization, which allows residents to stay in their home. If they cannot afford a new roof or impact windows, they come in and help them with that. Habitat has had a lot of support from the City and hopes the Board will consider them for this project.

Keturah Joseph, Boynton Beach Faith Based CDC, stated the CDC was created by local residents in 1999. Local residents came together to address affordable housing and slum and blight. They do a lot of the same thing Habitat does, financial and credit counselling. They have worked closely with the City and CRA, and Habitat and the CDC just finished 10 homes, constructing five homes on NW 11th Avenue. They both do a great job. Habitat caters to a slightly lower income applicant than the CDC, but while they work in all income categories, they will go up to 125% of the Area Median Income (AMI.) The CDC does this to ensure recipients they sell too remain in their home and most of them live in the homes forever. Some people they initially sold homes too call for everything they have a question or problem with. The only difference is Habitat is a national organization and the CDC is local organization.

Lengthy discussed followed about who owns the land after the mortgage is paid. It was explained Habitat uses a Land Trust where as the CDC homeowners own the land. Habitat for Humanity recipients receive equity the day they move into their home, and uses a zero-interest mortgage. The home has nothing to do with the land. The CDC homeowners qualify for a mortgage through a lender.

The price range for the Habitat homes, since they receive money from the City, the land is donated and sweat equity is used, is based on what the recipients can afford. If a home is appraised at \$230K, and they can only afford \$100K, Habitat holds a soft second mortgage. The CDC homes are sold at appraised value. Normally the buyer receives a discount for the value of the lot if the City or CRA donates it to the CDC and then the CDC will hold a soft second. As to residency, Habitat for Humanity operates on a first-come, first-served basis, with qualified recipients from the City and the local surrounding area. Most of the lots are from Boynton. Ms. Thomason reported most recipients are Boynton residents, but of the qualified buyers, they cannot choose Boynton residents. The CDC gives Boynton residents priority. The only time they will sell a home to a non-Boynton resident is if there are no Boynton residents in the pipeline. Ms. Thomason explained they currently have eight to 10 residents waiting. Vice Chair Cruz stated she has seen Habitat in the community, doing phenomenal work.

Chair Penserga thought both organizations were great and they should look for differentiating factors. Regardless of their decision, they are partners. He asked what

they would build, how affordable are they making the homes and the duration of affordability.

Ms. Joseph explained the time frame depends on if they get down payment assistance from the City and if so, they follow the City's time line which is usually 15 or 30 years of affordability. She noted most prospective buyers needs assistance from the City. The down payment amount depends on how much the City gives them. They use the City's guidelines. Habitat builds three or four-bedroom units, with one or two car garages. The buildings are CVS construction and are sold based on the appraised value. Again, the recipient would get a discount if the land was donated and if they qualify for down payment assistance from the City. Habitat has the edge because they have corporate donors and people volunteer. Ms. Thomason explained the affordability period is maintained by the ground lease of 99 years and then another 99 years. They have a specific model for three-bedrooms, two baths with a garage based on the lot size. Regarding the affordability, they are 60% to 80% of the County's AMI. Ms. Joseph explained the CDC uses a slightly higher AMI, going up to 120% of the County's AMI. If the lot is donated, the CDC gives a discounts on the price of the home commensurately with the price of the lot. The Habitat homes are slightly larger than the CDC homes. Board Member Hay thought both organizations are worthy. Board Member Turkin asked if either organization focused on assisting disabled veterans. Ms. Thomason responded Habitat helps anyone who comes to them and qualifies. They do have some programs focusing on keeping veterans in their homes. The CDC also assists anyone who qualifies. They also have supportive housing while transitioning veterans to permanent housing. All CRA projects are advertised. The number of lots given to each entity varies and depends on the program. The Model Block lots were given equally to the two organizations. They try to do so equitably and they have also helped with utilities equally. Habitat for Humanity completed their five homes. The last CDC home will be completed in three weeks. The delay was caused due to materials delay. Both organizations construct CVS homes. After 99 years, if someone wants to sell their home, Habitat has first right of refusal, and they sell it to someone meeting the AMI. If Habitat has a home that is in foreclosure, they still have first right of refusal. Owners can leave their home to their children. Resale of the homes is at 80% to 100% AMI to allow for generational wealth building.

Motion

Board Member Hay thought both organizations did a great job and moved the lots be given to the CDC. Board Member Turkin seconded the motion.

Bill Becker, resident of 500 Ocean, thought this was intriguing, and questioned why the one non-profit does not get the breaks, and asked what they are to doing for lower income people. He did not understand why that occurs when the Board can offer the same options. He pointed out the Board does not represent other nearby city residents. He thought perhaps there should be a Habitat just for Boynton Beach.

Kristie Ward commented she kept hearing about more corporate funding. She explained this is a locally based company. She thought Habitat did great work, but if they want the CDC to get to Habitat's capacity, to get to the corporate level, the Board has to give to what is local. The CDC will not reach capacity if they are not putting anything in. She liked Boynton Beach residents having first priority and favored keeping the developer home based.

Ernest Mignoli, 710 NE 7th Street, Unit 407, agreed with the prior speaker. He thought the Board was responding with long drawn out answers, without answering the question. He liked the emphasis being on Boynton Beach. He thought the Board was going to vote before hearing public comments and thought the CRA should be reviewed by the County. He thought they do things with favoritism and the public cannot hear what is being said half the time.

No one else coming forward, public comment was closed.

Vote

The motion passed 4-1 (*Vice Chair Cruz dissenting.*)

Vice Chair Cruz liked Habitat and did not want them to feel attacked. She has seen their work and she had volunteered with them. They help the community and veterans.

B. Discussion and Consideration of Letters of Intent for the Cottage District Infill Housing Redevelopment Project (TABLED 4/12/22) and (REVISED)

Motion

Board Member Hay moved to remove the item from the table. Board Member Kelley seconded the motion. The motion passed unanimously.

Ms. Shutt presented the item as contained in the meeting materials. The CRA plan calls for a For Sale project meaning townhomes or for-sale, single-family or attached townhomes. The project went to RFP many times with several options. The last option was Azur Equities, but negotiations were ended with them in January and the CRA received four letters of interest. East to West Development Corporation submitted their letter which was received April 5th. They are looking to have the land donated. The total cost of the project is \$10.5M consisting of 36 single-family units priced at \$292K. The Palm Beach County AMI is about \$80K per household meaning the household can make no more than \$80K to be in that income bracket. She reviewed the other income brackets. Typically, the CRA has requested this site accommodate 80% to 140% AMI. East to West Development proposed three models from 1,200 square feet to 1,500 with a mix of three and four-bedroom units. A smaller lot will accommodate a smaller home and the project can be completed in two years. Corey O'Gorman was present and Chuck Halberg was present online with Daniel Rosemond. Mr. O'Gorman is a Planner

and Project Manager, having extensive experience in affordable housing and being a prior CRA Director as is Daniel Roseman and prior City Manager, Chuck Halberg, from Stuart & Shelby Development, Inc., a long-time homebuilder. They have all worked together on various projects. They were recently awarded a 15-lot subdivision from the Ft. Pierce CRA and are excited about the project and working in Boynton Beach.

Centennial Management submitted a Letter of Interest. Their proposal is a combination of rental and townhomes or single-family, detached homes. Centennial proposed to purchase the land for \$1.9M. The units adjacent to the right-of-way will be townhomes or single-family homes. The prices were not indicated, but the floor plans were submitted. The two-story attached townhomes have three-bedrooms, two and a half baths with two car garages, consisting of about 2K square feet. The 34 detached single-family homes have three bedroom, three baths with rear loaded parking. There will be no garages or carports, but they can be added. The three-story buildings will have 102 one and two-bedroom units, and be multi-family single housing units with a community center. They are proposing a \$50K deposit within five business days of contract execution. The funding of the project, at least for the rental component, will be through SAIL or through the 9% Low-Income Tax Credits from the 2022 Florida Housing Finance Corporation (FHFC) application cycle. Closing is subject to the award of underwriting by FHFC. The single-family homes are about 2K square feet and two stories.

Elizabeth Roque, Centennial Management, thanked the Board for the opportunity to present their concept. Currently, she met with Zoning staff and they can put approximately 115 units composed of cottages and townhomes and have a senior affordable housing component on the property. She bought a list of over 2K Boynton residents wanting to get into communities. She advised the need for senior housing is strong and currently, one and two bedrooms for them are not available in the City. They would have 32 60% AMI units. The rent for a one bedroom 30% AMI unit would be \$384 a month. A 60% AMI unit would be \$902 a month. The two bedrooms at 30% are \$441 a month. The two-bedroom units at 60% AMI would be \$1,062 a month. Rents are affordable and needed. The concept was reviewed. The streets will be lined with the cottages or townhomes. The project accomplishes two goals in one project. Centennial also revised their Letter of Intent and will pay \$2,472,000 for the lot, which is the appraised value.

Ms. Shutt reviewed a letter of Interest was received from Pulte Group on April 26th. The purchase price was \$400K and a success fee of \$288K for a total of \$688K, financed entirely by Pulte. There are no third-party lending approvals or state application grants used resulting in a quick turn around with a Purchase and Development agreement, and no CRA subsidies needed. There will be a \$70K total deposit, but there are some caveats to refundability. The project consists of 40 units total with the option to complete two more units on the holdout parcels. With those additions, the total units will be 42. Eleven of the units are single-family detached homes and the remainder will be townhomes. There are three single-family models ranging from 2K to 2,300 square feet

with two car garages with three to four bedrooms and two baths. The two townhomes range from 1,800 square feet for interior units with one-car garages and the end units will be about 2K square feet both with two-car garages. The sale price comports with the Palm Beach County Workforce Housing Program, which she reviewed as contained in the meeting materials. It was proposed there would be a 10-month entitlement for site plan approval, rezoning and anything needed from the City. Closing is 30 days after all permits are received. There will be 15 years of affordability through a deed restriction and the LOI offer is valid for 30 days. They referenced there was other information provided from their prior submission.

Andrew Maxey, Pulte Homes, 1475 Center Park Boulevard., West Palm Beach, stated they were an original bidder, ranked first by the CRA Advisory Board and second by the Board. They have maintained their interest in the property and when they learned the other group terminated negotiations, they submitted their LOI, which is very much the same proposal as last time. He noted the purchase price increased slightly. They will not look at the middle-income category. It will only apply to the 60% to 120% AMI. The proposal is the only one that pays for the properties with no financing contingencies and they are restricting the units to the lower three income categories. They are for-profit builders, but are a leader for workforce housing. They will bring 60 affordable housing units to the county. He reviewed prior projects they completed.

Ms. Shutt stated a LOI was received from Neighborhood Renaissance. They are offering \$200K for the land with the total project cost being \$11,600,000. There will be 36 detached fee-simple, single-family units. The average price will be \$220K. There will be four models having one and two stories that are three-bedroom, two bath and a garage with 1,400 to 1,600 square feet of living area and porches. Homes will be sold to First Time home buyers earning 60% to 140% AMI equating to \$48K and \$96K. There will be 15 years of affordability through a deed restriction and HOA Declaration restrictions. There will be a .2-acre park, benches, open space, a bus shelter, landscaping and lighting. The completion date is two years from signature of the Purchase and Development agreement, and it includes priority local hiring, employment training and contracting opportunities.

Terry Murray, Executive Director, stated Neighborhood Renaissance is community based, non-profit serving Palm Beach County since 1992. To-date, they have built over 250 affordable homes, helped over 200 first-time homebuyers purchase a home. In 2019, they submitted a formal proposal on the Cottage District and had been negotiating with the Board. What they are proposing is very similar to what they had been negotiating with staff about back then. The design concept comes from the CRA Master Plan from the HOB and they are committed to the vision. They propose 26 single-family, fee-simple homes. They have worked in Boynton Beach. They received a national grant for \$250K and on MLK, the street improvements were made in collaboration with local non-profits, the CRA and them. They want to help the Board address a serious affordable housing problem. Their philosophy is to work with local communities, local residents and municipalities. They will give priority to help Boynton

residents. They have a track record of how they handle homeownership. Locally, they partnered with Palm Beach County, they rehabbed over 100 units, and they still own and maintain those rental homes on scattered sites. Out of those, they created 20 homeowner opportunities after spending about \$80K to rehab each unit. They constructed 36 two-bedroom, two bath units in 2020, through a public housing partnership with the County. They worked with West Palm Beach and built, under the model they plan to use with this project, 12 homes in the last three years. They want to make homes affordable, they are committed to the CRA Master Plan and they have a track record of partners. Affordable housing is their business and they have the financial ability to complete the project.

Attorney Rossmell explained the LOI was not published. Regardless of making any decisions tonight, unless the Board rejects them all, the CRA will need to publish either an RFP or in newspaper that they intend to dispose of the property. If disposing for less than market value, it would require City approval. Attorney Rossmell reviewed the LOI Policy. The CRA can select an applicant and publish a notice, or table the item and decide at the next meeting, charge staff and her to issue an RFP, or reject all offers and close the items. Attachment 8 is the policy.

Ms. Shutt explained the Board can select an applicant, but they cannot finalize any decision until 30 days as it will give other members of the public an opportunity to submit a letter of interest. It was noted the Pulte offer expires in 30 days. The policy recommends going to RFP as there is more than one letter of Intent. Board Member Kelley thought all of the proposals were good, but she did not want to consider one over the other. She leaned towards waiting until after the 30 days-notice and wait on a decision. Board Member Turkin agreed as did Vice Chair Cruz. Board Member Hay has been through this several times and he was ready to make a decision in favor of Centennial with 30 days-notice. Vice Chair Cruz seconded the motion.

Chair Penserga went through the RFP process, In the past he supported Pulte because they offered to pay them and they also had experience. When he looked at the four LOIs, the two strongest were Centennial and Pulte, but Centennial offered \$2.4M and offered a senior affordable housing component, which he thought was a major advantage.

Board Member Kelley commented one condition with Centennial was contingent on them obtaining SAIL funding and she inquired about the timing. Ms. Roque responded they go for the 9% tax credits and if not successful go for the 4%. They are getting ready for the cycle to submit in October. They finished the 123 units in Ocean Breeze East, and they are going vertical with another 124 units. They got about \$60M in federal funds and perhaps another \$20M with this project, if approved.

Vice Chair Cruz thanked Ms. Roque for their work in Boynton Beach and they have a need for senior affordable housing. She liked the idea they are providing for sale cottages. A question was posed if they would consider providing a preference for

disabled veterans for senior affordable housing. Ms. Roque explained whenever they can lend a hand to the community, they are willing to do so.

Board Member Kelley did not want to delay the applications for tax credit, but it was noted the SAIL program usually requires some type of a local match.

Mark Karageorge stated the Cottage District has been in the works since four CRA Directors. They invest millions in the District. They have four applicants and the one with the most experience is Neighborhood Renaissance and Terry Murray. The Cottage District was originally conceived for single-family homes in that area to fit in with the neighborhood. He thought having senior housing there and the amount of housing does not really fit with the neighborhood. It is a good proposal, but the original intent was for single-family homes.

Ernest Mignoli, 710 NE 7th Street, Unit 407, commented when he moved to Boynton in 2020, he was attending the CRA meetings and Board, and he was particularly interested in the City Manager, City Attorney and the CRA and how the Board does not involve the public. If anyone has the ability to understand the connection of politics in Boynton Beach, the funds are given to certain people. He opined a thing being studied is political corruption, CRA's and how funds are secretly moved around so no one really knows and municipalities keep doing this because there is no oversight. He commented there is oversight only when the Department of Justice is involved. He inquired how do they allow developers to come in without physical models. He asserted the public cannot get any figures or any numbers of what the Board does and usually favors whoever contributed the most money to run for office.

Susan Oyer, 140 SE 27th Way, viewed an image of the Cottage District. She noted the project would build around her family's property. She likes Centennial, but there were things she did not like about this project. She noted they were putting a parking area next to a beautiful historic home and putting a prime property on Seacrest was wrong. She asked what the mitigation plan was to manage water run-off. She likes Centennial but thought they were becoming a monopoly. No part of it looked good and they are building project after project in the City. She asked where the green space was and how it fit in with the neighborhood. She questioned where the For-Sale properties were as the project is supposed to be single-family homes and thought the City has too many rentals. She thought the Board should give 30 days. She had no problem with Centennial, but did not think they were the right developer for this project. She noted they threw away the Mecca project, which would put extra houses on the tax rolls.

No one else coming forward, Public Comments was closed.

Chair Penserga stated if they accept the LOI, it is only the beginning of the process and it is not a done deal. It opens the door for more applicants to apply, there will also be the opportunity for the public to provide input.

Motion

Board Member Hay moved to select Centennial and give 30 days. Vice Chair Cruz seconded the motion. The motion passed 4-1, *(Board Member Turkin dissenting.)*

The CRA will issue the 30-day public notice.

C. Update of Negotiations between the CRA and Affiliated Development, LLC for the 115 N. Federal Hwy Infill Mixed Use Redevelopment Project **(TABLED 4/12/22)**

Motion

Board Member Hay moved to remove from the table. Board Member Kelley seconded the motion. The motion passed unanimously. .

Ms. Shutt explained the CRA issued an RFP in the fall of 2021. Affiliated Development and four others responded and Affiliated was the first ranked respondent and staff was authorized to begin negotiating.

(Board Member Turkin left the dais at 7:24 p.m.)

Originally the project was for 236 units with half of the units income restricted, affordable units for 15 years. There would be a public parking component. After extensive public input, with 150 spaces included in the project above and beyond what is required for the mixed-use project for a total of 573 spaces, 16,800 square feet of commercial uses, with two restaurant spaces with one of them being Hurricane Alley.

(Board Member Turkin returned to the dais at 7:26 p.m.)

The first submission for Affiliated was to build the garage and for the CRA or the City to purchase it; however, this component changed. There will be operations and maintenance of the garage, and the affordability gap funding for the affordable units. If these were to be rented, they would be rented at market rate. There will be a funding gap that the developer is requesting assistance with from the CRA. The overall project was for \$73M.

Affiliated has revised their proposal. The difference is the number of public parking they are allocating for the public above the mixed-use requirement will now be built and operated by Affiliated and the City and CRA will lease the parking spaces at no cost. At the March meeting, 11 units were proposed to be maintained at an affordable rate for another 25 years. There was also discussion that Affiliated will pay \$5.5M to the CRA for the land costs, which will be used to fund the leasing costs for the 150 parking spaces. There was also a revision for the funding gap of \$6.1M of TIF for 15 years. To-date, they received, and staff has not had a chance to review it thoroughly, Affiliated will be proposing 50% of the units will be affordable for 15 years, 70 units will be affordable

for 30 years and 11 units will be maintained as affordable in perpetuity. There is an offer of TIF funding of the \$7M cap, and the offer for parking spaces is the same. There are three major items to be considered with the first being the reverter. If the project is not completed, the land will revert back to the CRA, but staff wants the reverter to remain through project completion. This has not been finalized yet. The business terms and terms of the gap funding is how much of the TIF does the development team need. Originally, they proposed 100% of the TIF to be refunded. Since then it was revised to ask for 95% of the TIF to be refunded with a cap of \$7M. If they get refunded up to \$7M, the CRA will receive 100% of the TIF back. The third item is the assignment once the project is completed. If the property and the improvements are assigned to a 3rd party not controlled by Affiliated, does the CRA want any requirement that it be either be not unreasonably withheld or if there is anything else the CRA wants to see. She noted this is later on when the project is built. The valuation of the land will increase, but as the improvements come in, there is an increase in the valuation. If assigned to a third party, would the CRA like to see if the TIF incentive will continue to be rebated to Affiliated based on the 95% offer they are proposing. She questioned if there is any middle ground.

Attorney Rossmell explained in March there was a lengthy discussion with the developer and a number of terms were negotiated and put into the draft, which was circulated. The current proposal included 50% of the units remaining affordable for 15 years and after that, 30% of the units would remain affordable for an additional 15 years. This results in 30% of the units would be affordable for 30 years and 10% affordable in perpetuity. There are some fair housing laws that may interfere with that structure, and they proposed to say the units would be rented in accordance with Fair Housing Laws. The developer would not segregate the units based on income, which was the CRA's concern that not all the one-bedroom units be assigned to affordable housing. The developer added they would submit construction documents and permits within 120 days of obtaining formal site plan approval and they would provide updates on the project financing process with reasonable documentation at the CRA's request. There were formally other finance requirements, but the Board decided it did not need to be so onerous and added these requirements in its stead. They added the ground breaking and ribbon cutting ceremony. There is an ongoing discussion about the reverter, which Attorney Rossmell reviewed. The CRA historically requires a reverter and often takes the reverter and agrees to be in the second position behind other lenders. She received notice from the developer, they will consider it through to completion of construction. They discussed assigning surplus funds in the event of a foreclosure to the CRA. The Board's direction to staff was to find what assurances can be given to protect the CRA because they are providing land and funding to determine what assurances can be provided to get the land and funding back. She advised neither is a perfect vehicle. If they have a reverter and they are secondary in the reverter as they historically have been, it means there is a chance they do not get the project back if not completed. If they agree to assign surplus funds, there is no guarantee it will sell at foreclosure for an amount that would allow for the existence of surplus funds to be repaid to the CRA. In the past, they used a subordination

agreement. Affiliated also looked at the subordination agreement they used with other projects like MLK and they were fine in using that substantial form, excluding the TERFA, but not subordination and focusing on the Purchase and Development agreement, which is where the reverter clause is. As for assignment, the question is how can the contract be transferred and under what circumstances can that be done. There are three contracts related to this project, which was a parking lease, a Purchase and Development Agreement and the TIF Agreement a/k/a TERFA. It is at the Board's discretion, pending successful negotiation, as to how these can be assigned. In the past, the CRA allowed assignment, only on CRA approval, allowed assignment on CRA Approval not to be unreasonably withheld, and the current proposal is to allow assignment to any entity owned by the two people present without CRA approval, and after that to either require CRA approval or require CRA approval not to be unreasonably withheld. Attorney Rossmell emphasized the importance of this because there are requirements in the agreements that are lengthy, including the affordability requirements. It is their recommendation the CRA, in allowing assignment, require the entire agreement be assigned and not a portion of it. The CRA's strong position is the 150 public parking spaces be above and beyond Code and the developer wants the 150 to be counted towards meeting the Code requirement. There is an outstanding question about the subordination clause, which was not discussed at a prior meeting, so there were no changes to the agreement, besides what was presented before. It was only because it was not discussed. There is a request to allow the CRA staff to amend the agreement administratively for non-material terms in the event a lender requires administrative approval of a non-material term in order to finance the project. Attorney Rossmell could not say with certainty that the CRA has done that in the past as historically, any amendment came before the CRA, but it is something they are proposing. Ms. Shutt noted, in order to be transparent, there are some timelines as part of the development agreement that should be discussed, which included when they submit for site plan approval, building permit and overall project completion timelines. They are open to administrative exceptions for due cause.

(Vice Chair Cruz left 7:40 p.m.)

Jeff Burns, and **Nick Rojo**, Affiliated Development, stated since selected in November 2021, they spent tremendous resources to have all agreements protect the taxpayer and be economically feasible for all parties. They agreed to nearly every term in just about all of the agreements and stayed firm on items they know are key to helping them successfully get the project off the ground. When they first learned the CRA was considering developing the property, they conducted public input to gather the community's priorities. Two items set their proposal apart from the others, which was they cut a deal with Hurricane Alley. If the project goes forward, they can provide visibility. They also accomplished a contract on the Ocean Food Mart on Ocean Avenue and Federal Highway which is a key corner, from a walkability and visibility stance.

(Vice Chair returned at 7:44 p.m.)

Mr. Burns explained they wanted to create a thoughtful development and a destination. They will have a marine themed attraction, and they will help anchor what would become a destination for residents, businesses and those looking for leisure and fun about town. They wanted to help address housing. They split the units to between 80% and 100% of the AMI. The difference between affordable tax credit housing and workforce housing is workforce is entirely comprised of those with disposable income, especially if they can alleviate their housing burden. The majority of people spend 60% of their income on housing. It would be better if they can reduce it to 30%. Affiliated only builds public private partnerships. This will be their fourth partnership in the area and they want to be long-term stakeholders. The site is in a qualified Opportunity Zone. In order to qualify, they must remain with the project for 10 years and they intend to remain long term. They support local charities. Moss Construction is very involved in charities that improve the lives of veterans and improve the lives of youth. Those activities will continue as long-term stakeholders.

Affiliated is eager to commence. Since selected, interest rates increased, construction costs increased by 25% and affordable housing has gotten to a place it has never been. They will move forward under the subordination agreement that was used with Centennial. Mr. Burns advised they were comfortable with having a reverter in place, but it was up to the Board which option worked better. They reviewed the subordination agreement and consent agreement from Wells Landing and they can move forward with that agreement or if there are any excess proceeds from a foreclosure sale. He could not understand why the CRA would unreasonably withhold an approval for Affiliated to assign a document that continues to move forward a public purpose to provide housing. There would be an assignment approved by the CRA Board as long as it is not unreasonably withheld. As for parking, there is a difference between Code requirement and what they need for their project. Code may require them to have 100 parking spaces for the commercial uses, but they would not fill all those spaces as they would not lease that much. They want to be able to include the 150 spaces in terms of the parking calculations per Code and let the businesses decide if they would allocate 150 spaces for commercial uses or 50 spaces. It is a business decision, and it does not change the fact the public would get 150 spaces controlled 100% by the CRA. Deadlines were in the agreement and they were asked to add three additional points last Thursday and they sent them over. The amended item referenced by Attorney Rossmell was discussed. There is a separate provision in the agreement titled subordination, but there is a non-material term in the agreement and Affiliated wanted the Executive Director to make a change without coming back to the Board. She recommended that anything that relates to the timeline, funding or risk allocation like the reverter and foreclosure are all considered material terms as well as any specific conditions the CRA is requiring like the EVC stations or the project elements. They should be defined as material. The closing is to transfer the property to them, not the closing for the financial part. The appraisal at \$5M is the appraised value and the CRA spent approximately \$8M. The request is to give approval to the Executive Director or the City Attorney to allow them to amend a technicality at the closing table if their lender

requested this. If it is a material term, it has to come back to the Board. Staff should be able to have staff approve this.

Chair Penserga opened Public Comment.

Harvey Oyer, resident of West Palm Beach, but born and raised in Boynton Beach, spoke in favor of the developer. Five months ago, the family sold part of their property at a discount as part of the RFP process to help this project go forward. He wanted the item to move forward tonight. A number developers expressed an interest, and this was the only one to find what tenants needed, or to ensure Hurricane Alley remains in business and worked out a deal with the Ocean Mart. They are a best in class developer and they will put half the units into workforce housing. They have the skill set and finances to do this. He is a land use and zoning attorney, and knows who performs and Affiliated Development does what they say they will every time. If one checks their references, they deliver ahead of schedule, on budget every time. He supported moving forward.

Kim Kelly, Owner of Hurricane Alley, 529 E. Ocean Avenue, suggested the Board get off the hamster wheel and say yes to progress. She wants to inform her employees they have jobs.

Jeff Moreno, 3250 Hollywood Blvd, thanked the Board for their time in public service. He is a retired police officer in Hollywood and then in a police union. They look for a mechanism to invest pension dollars into real estate in the community. He noted 11 different pension plans invested in Affiliated. He hoped the Board would support the development.

Joe Hurtuk, an owner of the Boardwalk Ice Cream, wants to stay in Boynton Beach. He thanked Affiliated for speaking with his family and Ms. Kelly. He hoped they would vote tonight so they can go to their employees and say they will continue in their jobs. He thanked the CRA for all the assistance.

John Georges, PhD in electrical engineering, explained he is working with Affiliated. They improve cellular coverage and wireless signal coverage inside of buildings. He works for a number of developers in South Florida. He commented they always deliver and are great, hardworking, honest people with integrity.

Susan Oyer, 140 SE 27th Way supported this project as they addressed her issues. She had met with Mr. Rojo and was impressed that they will address sewage. She noted sewage is bubbling up from 500 Ocean. She mentioned the project will need Electric Vehicle Chargers because 25% of cars will be electric within the next two years. They will add the electric so stations can be added as needed. Her biggest issue is not enough green space. She thought the development was beautiful and it maintained the character of Ocean Avenue. She loved the great art features, and that they embrace kinetic art and will add some pieces to the project. She likes that they are local, from

this area and they are using a local developer. She thought the project modernized and maintains the City's history with the name and name sign of her family's insurance agency. She noted it is the oldest commercial sign in the City and the Affiliated plan updates the City's history and culture.

Tom Warnke commented some people come to the podium and scream at the Board and accuse the Board of lying. He thought the job Mr. Rojo and Mr. Burns was undertaking was exemplary and they and the Board works really hard. The community comes out to the meetings and they speak. He works for the Historical Society scanning photos and he came across a 1956 photo of the Ocean Food Mart which was a Standard Oil Station. He thought the corner would be beautiful.

Ernest Mignoli, 710 Ne 7th Street, Unit 407, stated he lives in the neighborhood of this project and wanted the public to understand the close connection between the City's law firm in Ft. Lauderdale and the political connections and contributions that occur. He commented when someone comes to meetings and talks about lawsuits, settlements and deals between developers and city politicians, they are silenced and thrown out of the meetings. He complained now they have a Mayor who will not give his real name on an application who makes political deals with developers and Hurricane Alley, for reasons they interviewed with him and talked about the personal development and gain of their personal interest and pockets and then say they cannot say it as, it is a lie. He asked how someone can park 1.2 cars and commented the subject corner is a wreck. They are adding more cars and stores. He commented the corner has 24/7 drugs, alcohol, abuse, speeding, child abuse and all kinds of crime. Now there is another lawsuit on the SJ case. He never heard where a new commission comes in and keeps the law firm that has been pernicious when it should be terminated and investigated for the developments in this town. He asserted the development is not for the town, it is for their pockets.

John Hurst recently retired former Chief Executive of the Ft Lauderdale CRA, spoke virtually. He stated the 613 project was the catalyst that jumpstarted redevelopment. He spoke about Affiliated. He noted Affiliated got the project online during Covid. They had a great relationship and they delivered on everything.

Jeremey Banning, spoke virtually, and spoke well of Affiliated. He hoped the Board would support the project.

No one else coming forward, Public Comments was closed.

Further discussion followed about parking. Attorney Rossmell listed the items there was agreement on as follows:

The assignment can occur before project completion, it can occur to a company controlled by these two gentleman without further approval of the Board. After project completion, it can occur in whole to another entity and it can be approved by the CRA

Board not to be unreasonably withheld as long as the entity receiving the assignment shows that there is still a need for the gap financing for affordability for the remaining amount.

Attorney Rossmell suggested the Board approve the terms and authorize staff to bring back an agreement subject to legal approval for the Board's approval.

Fifty percent of the units will be affordable for 15 years, 30% will be affordable for an additional 15 and 10% will be affordable in perpetuity. The units will be rented in compliance with Fair Housing Laws and they will not segregate the units based on income levels. Developer will submit construction documents and all building permits for the project within 120 days of obtaining formal site plan approval from the City. Developer will provide the CRA with updates on the process of obtaining financing for the project together with reasonable documentation upon the CRA's request. There will be a ground breaking and ribbon cutting ceremony. There will be a reverter clause in effect through completion of construction. The CRA will agree to subordinate that as required by the lender. They will also agree to assign any surplus funds from a foreclosure sale to the CRA to make the CRA whole both for the actual funds expended and for the value of the land which will be valued at the greater of either the fair market price at that time, or the price it was valued at a that time of the agreement. Developer will use commercially reasonable efforts to host job fairs and approve apprenticeship requirements. The assignment can occur for completion of construction to a company that is controlled by Jeff Burns and Nick Rojo without further action by the Board, which will not be unreasonably withheld; however, any assignment is contingent on a showing there is still a need for gap financing to maintain the affordability of the units for the remaining amount of TIF which has not yet been spent. The CRA staff is empowered to make minor administrative changes to the documents for the purposes of effectuating a financial closing, as long as such revisions are non-material terms. She will work with their legal counsel, but substantially agree they agree that all conditions and project elements are deemed substantive, the timeline is deemed substantive, the reverter and foreclosure and repayment and any financial terms throughout the document are all to be material. The cap will be a \$7M cap for the TERFA and TERFA will be at 95%, there will be a quarterly reporting requirement up through completion of construction and an annual reporting requirement thereafter during the life of the TERFA. The income categories of the units will be as originally proposed. There will be two EVC stations. After the TERFA cap is reached, the TERFA terminates.

Affiliated advised they were comfortable with the terms described by Attorney Rossmell. Ms. Shutt commented all the other terms regarding the tenancy will be applicable as well as any requirements for the Oyer building to notify the Oyer family, if they cannot preserve their sign, there was some public comment regarding Affiliated preserving the sign, she explained there was some agreement regarding the Purchase and Sale Agreement with Mr. Oyer that they will strive to save it. It is a painted sign, so preserving the sign means basically preserving the whole wall. Mr. Burn explained they have the agreement. Attorney Rossmell added another condition was the Board

direction regarding parking as long as it is 150 spaces assigned to public uses and other specific commercial uses. There was consensus on this point. The documents can be updated in about two weeks and they Board can either approve it at a special CRA meeting or not. Chair Penserga thought they could have a special CRA meeting just before the June 7th meeting it to address this item.

Motion

Vice Chair Cruz moved to have a special meeting on June 7th at 5 p.m. Board Member Kelley seconded the motion. The motion passed unanimously.

Motion

Board Member Hay moved to approve the terms they discussed. Board Member Kelley seconded the motion. Vice Chair Cruz gave her reasons for supporting the motion. The motion passed unanimously.

Motion

Board Member Hay moved to approve a 10-minute recess. Board Member Kelley seconded the motion. The motion passed unanimously.

The meeting recessed for a short break at 9:22 p.m.

The meeting was reconvened at 9:37 p.m. the meeting.

D. Discussion and Consideration of the CRA-owned Property located at 401- 407 E. Boynton Beach Boulevard

Tim Tack, Assistant Director, presented the item as contained in the meeting materials. The property was purchased for future development. The 411 building was demolished. On March 21st, the CRA began negotiations with Tim Collins. On October 13th, the CRA obtained a \$75K grant from the Solid Waste Authority to construct a parking lot on the premises. After a year of lease negotiations, the negotiations were terminated because it would cost up to \$100K to bring the building at 401 E. Boynton Beach Boulevard to Code. Staff requested direction on the 401 property.

Chair Penserga asked if there were any applicants for the site. Ms. Shutt explained the structure is non-conforming. There has not been anyone else asking for the location, and if there were, they have not vetted out the cost to convert the building to a viable use that meets Code. The preliminary cost analysis showed \$85K for the parking improvements and about \$80K for the interior. Mr. Collins, who was previously interested in the site estimated \$100K to \$125K for the improvements. Chair Penserga favored demolishing the building so it would be prime for redevelopment. Ms. Shutt noted the lease would say it would be a temporary use, should the site be developed. If

the \$75K from the SWA is more than needed for demolition, any remaining balance could be used for sod or other improvements for a pop up, but the lot has to be stabilized.

Board Member Hay noted the post office will look for a swap, and he asked if they were to look at this, can the building be used. Ms. Shutt explained the USPS submitted a site layout but there was no time to come back. The preliminary layout shows a new building. Building Code wise it is a totally different use versus an existing shell. Mr. Hancock, from the USPS, would like to pay for the improvement of the tenant space.

Ms. Kelley thought it was more of a liability to the Board. She supported demolition. The fence can be removed. Vice Chair Cruz agreed as did Board Member Turkin. He liked the idea of using the property for pop ups.

Chair Penserga opened Public Comments.

Ernest Mignoli, 710 NE 7th Street, Unit 407, commented everything the Board talks about is really in his neighborhood and is being destroyed. He listens to the deals with someone living in the Hurricane Alley building and a lawyer says they will draft something up. He commented they let someone in at 401 E. Ocean and at a Magistrate meeting, the City says the building is empty when it is not. He thought the Board allows this all the time. There are fences illegally erected, and corner homes are not allowed to have a solid fence, but they are everywhere and the drug dealers live there and the Police are not doing their jobs. He opined the police are not reporting all the crime and crime is not going down. He did not understand how they get away with anything. He explained the building was condemned. It was noted the CRA's legal counsel is not the same Counsel the City uses.

No one else coming forward, Public Comment was closed.

Chair Penserga requested a motion to authorize staff to seek approval from the SWA to reallocate the \$75K grant to the demolition of 401 E Boynton Beach Boulevard and other eligible demolition activities in the CRA area and authorize the Chair to execute the amendment to the ILA subject to final approval by legal counsel.

Motion

Vice Chair Cruz so moved. Board Member Hay seconded the motion. The motion passed unanimously.

Ms. Shutt asked for clarification on Item 13 A. The Board accepted the Letter of Intent from the Boynton Beach CDC to pay the CRA \$60K for the lot and authorize staff and Legal Counsel to bring back a Purchase and Development Agreement with the CDC. There was Board consensus on the item.

14. New Business

A. Discussion and Consideration of the Terms of the Homebuyer Assistance Program (TABLED 4/12/22)

Motion

Board Member Hay moved to remove from the table. Vice Chair Cruz seconded the motion. The motion unanimously passed.

Mr. Tack presented the item as contained in the meeting materials. The program was established in 2005/2006 through to 2009/2010. In 2006, the CRA drafted the Homebuyer Assistance Program (HAP) to work with the City's State Housing Initiative Program (SHIP) program. The Board also approved the shared equity return policy on the CRA's investment. The CRA's share of the equity is proportionate to the amount of CRA funds invested in the home, which would then be reinvested in additional affordable housing units as units are resold. The CRA's policy was adopted based on the City's shared equity policy. All CRA funds are recaptured at the time of resale. Mr. Tack read the Board's approval and general terms. The HAP would work with the City's SHIP program. The CRA funds would provide gap funding between the mortgage amount and SHIP funds and was designed to assist low and moderate-income peoples, short of funds by providing from \$5K to \$50K of assistance to those buying in the CRA area. The Board could continue with the status quo. The fund is to ensure buyers receive funds to purchase a home they normally could not afford and as the monies are paid back they go back to the Project Fund and can then be used for any CRA related activity. The HAP program stopped in 2010. Since inception, 35 grants were awarded, 12 homes were foreclosed, there were six short sales, one was forgiven and one is being repaid. There was \$920K lost due to foreclosures, short sales and forgiveness. All but one foreclosure and short sale was located in the Preserve. The Preserve was originally for townhome ownership, but then converted to rentals.. The Preserve also had issues with Chinese Drywall, so owners walked away from the units. The Program awarded \$1.7M. There are 15 grants active for slightly under \$800K. There were two instances where recipients had their agreements significantly modified which he reviewed. Staff was looking for direction regarding maintaining and enforcing the agreement in the various forms. If the Board waives more, cumulatively it could be about \$700K. It would have a big effect. The agreement and terms remain as is. He noted homeowners received a benefit for almost 12 years, but there are a total of 30 years the owners need to remain there. The agreement does not require them to stay forever. If they refinance or move, they have to pay that amount back to be used for other useful items. Board Member Hay thought they should stay with the agreement as is. The money has to be paid back to the CRA. Due to recent increases in interest, they have a lot of calls about the ability to refinance or waive the requirements. Ms. Shutt favored keeping the agreement as is. Board Member Hay thought the \$920K lost was a lot of money. Other than that, there have not been many foreclosures. Chair Penserga favored enforcement. All agreed.

Motion

Vice Chair Cruz moved to enforce the program. Board Member Turkin seconded the motion. The motion passed unanimously.

B. Discussion and Consideration of the Purchase of 1213 NW 4th Street, the Cherry Hill Mart

Ms. Shutt presented the item. The property was up for sale and the prior Board assigned the CRA Advisory Board to review acquisition of the property. The Advisory Board's recommendation was to pursue its purchase. The asking price is \$400K. It is a non-conforming building that is zoned R-2 for a residential use but has a commercial use. If the building is damaged, it cannot be rebuilt. In March, the Board ordered an appraisal which came in at \$310K. There is also a long-term lease of 20 years on the property with 18 years remaining. Octavia Bell, daughter of the property owner, Alberta Bell, was online and stated her family wants to sell. There is a tenant and they are trying to have discussions regarding relocating him, which he may be open to. She met with the CRA and explained the tenant is not from the area. He is currently on vacation and Ms. Bell has not had the opportunity to speak with him. She also announced the Bell's were unwilling to accept the appraised value.

Board Member Hay did not like the idea of the CRA being a landlord. The property was appraised at \$310K and the asking price is \$400K. He would support it, but without a tenant. That CRA has been trying to acquire the property for quite a while. Sometimes the Board has to go above appraised value.

Chair Penserga supported acquiring the property and let them come to an arrangement. He wanted to direct staff to begin negotiations.

Ms. Shutt reviewed the history of the property. She spoke to City staff and the property is a chronic nuisance. Staff would like to have the opportunity to speak with the City, but Ms. Bell may have more information. A public nuisance is a pattern of nuisance that involves Code Enforcement and Police due to activities that are crime related or potentially harmful as unsafe. Vice Chair Cruz agreed with staff starting negotiations. Board Member Turkin also agreed with Chair Penserga. They need to get this done. The acquisition would create opportunities for housing.

Ms. Kelley commented there may be some financial penalties in the lease agreement if the lease is broken with the tenant. She would want staff to negotiate and she would pay the asking price if it meant the Bells, had to break the lease with the tenant and pay the penalty. Ms. Bell advised this property was in the family since the 60's and right now, they want to sell it. Two years ago, they were not interest in selling, hence, they entered into a 20-year lease. The lease is iron clad almost 30 pages and they have items in there to protect them as the tenant has to try to eliminate some activities. Ms. Bell met with the CRA and spoke to them about the lease holder. She thought he may

be open to negotiating and/or relocating. He has someone there managing the place, but Ms. Bell was not open to negotiating on the appraised value.

Public Comment

Ernest Mignoli, 710 NE 7th Street, Boynton Beach, clarified when he says lawyers for the CRA that it is all the same as the City attorney is because what the CRA does goes to the Commission and votes on things the CRA does. In his opinion, even though there are other law firms for the Boards, ultimately all goes back to the City Attorney's firm. He asked how many times and how many people bring up all the crime in the City at the meetings and then at the meetings, he starts to hear about public nuisances and 132 NE 12th Avenue keeps coming up at the Magistrate's hearing with crime there so bad with weapons, child abuse, etc, etc. He sits in the magistrate's hearings and he advised the Board denies everything, the police deny everything and they all think all is a joke.

No one else coming forward, public comment was closed. Attorney Rossmell explained the Board can receive public comment, but confine it to the item being heard on the agenda.

Attorney Rossmell explained the Chair can direct the CRA Executive Director to begin negotiations with the owner. There was consensus to do so.

C. Discussion and Consideration of Request from the USPS to Remain at the CRA-owned Property Located at 217 N. Seacrest Boulevard Post-Closing

Ms. Shutt explained the CRA is under contract with the property owner, Mr. Weiner, to purchase and close on February 28, 2023. Currently, the lease ends January 31, 2023. Mr. Rick Hancock from the United States Postal Service (USPS) requested the Post Office stay at the site while looking at a new location. They need 11K square feet. One site would be for retail activity such as sales of stamps and post office boxes, and another for distribution and carrier activities. They want a location in E. Boynton Beach for the retail component which would require 3K square feet. The request is to allow them to remain once they close on the property. Currently the CRA does not own the property and staff has included Mr. Weiner in all the discussions with the Post Office. She noted Paragraph 8.5 requires Mr. Weiner to deliver the facility vacant. If the Board relieves him of that, it would be a simple amendment, but the CRA would request that any changes to the current lease require Mr. Weiner to notify the CRA, which would be done unilaterally. The Postal Service can remain as a hold-over tenant.

Mr. Hancock, (USPS) Acquisition Project Manager, stated he has been working with staff, contacting individuals in the community and has a real estate firm looking for a new location. They want a one-year lease extension from the CRA and the CRA would have termination rights. They would have an income stream coming in that allows them to find a new location. It is a difficult as there is a tight market to find a new postal

facility. As to what they are looking for, they know they will not be able to keep all their operations under one roof. They would be interested in the prior property, but to accomplish this, they would need more time. Mr. Hancock advised they would be interested in long-term plans for the properties and would pay fair market rate. The CRA would close on the current post office location in February 2023. The USPS has plans to accomplish their goals within that time line.

The history of the property was given. Mr. Weiner, the property owner was available online, but unable to join the meeting. Chair Penserga was uncomfortable moving forward without hearing from him.

Board Member Hay appreciated Mr. Hancock's comments. He asked if the 401 building does not work out, if they are looking to stay east of I-95 and learned they were.

Motion

Board Member Turkin moved to table to the next meeting. Vice Chair Cruz seconded the motion. The motion passed unanimously.

D. Presentation by Palm Beach County Housing Authority on the Properties within the CRA District

Ms. Shutt explained the Executive Director was no longer online. She had just had surgery and could not hold on.

Motion

Vice Chair Cruz moved to table. Board Member Hay seconded the motion. The motion unanimously passed.

E. Consideration and Discussion of the Boynton Beach CRA Policy for Processing CRA Board Agenda Items

Ms. Shutt explained the Board wanted the agenda to be made available two weeks before the meeting, but there was a conflict with the Letter of Intent Policy (LOI) as the LOI can be submitted within five days of the Board meeting. The item was to have the Board adopt the current policy for agenda processing, but come back in June with amendments to the LOI policy to be consistent with one another.

Motion

Board Member Hay moved to adopt the current processing CRA Board agenda item policy. Board Member Kelley seconded the motion. The motion passed unanimously.

There was consensus to revise and bring back the LOI policy for adoption.

15. CRA Projects in Progress

A. CRA Economic & Business Development Grant Program Update

Vicki Curfman, Administrative Assistant, gave the update. Since October 1, 2021, the CRA gave \$219,023. The remaining fund balance is \$312,577. There were a few businesses looking for extensions that were granted. She noted they did not have the new business application in time for the new policy of 14 days agenda publication, so the report next month will be a month behind.

B. Rock the Plaza at One Boynton Recap

Mercedes Coppin, Business Promotions and Event Manager, reviewed the event that featured live music and family-friendly activities to spotlight businesses at the plaza. Staff had a five-hour Boynton Beach Bucks promotion, and a \$15 Boynton Beach Bucks promotion for the newly opened Mancave for Men in conjunction with the Ribbon-Cutting Event. They received 95 survey responses and positive feedback from the business owners and property management. The survey showed 76% respondents are residents of Boynton Beach and 44% heard about the event on social media.

C. Social Media & Print Marketing Update

Amanda Meyer, Business Promotions and Marketing Coordinator, explained in March, they had social media posts to promote local projects and businesses. They helped promote two businesses within the CRA. They also have posts about commercial leasing for the HOB Villages Apartment Complex and Rock the Plaza. Examples of current marketing efforts were viewed including a Marina ad in the Coastal Star and others. The blog was published.

Board Member Kelley commented on the Rock the Plaza post. The amount of people it reached and people engaged seemed a bit unreal. That were 18K touches. She encouraged staff to continue the good work.

D. MLK Jr. Boulevard Corridor Mixed Use Project (dba Heart of Boynton Village Apartments) Update

Mr. Tack gave the update stating there is movement on site. The project will provide 120 units as well as over 8K square feet of leasable commercial space. Images were viewed of the east building on the residential component shows the property was cleared and graded. Images of utility trenches, plumbing, rough-ins and electrical images were viewed. Seven bays can be leased out to local businesses.

16. Future Agenda Items

A. Discussion and Consideration of Direction and Assignments for CRA Advisory Board

B. Tree Canopy Coverage Project Update

C. Project Update on the Bride of Christ Daycare Center at NE 10th Avenue

D. Semi-Annual Progress Report - MLK Jr. Boulevard Corridor Mixed-Use Project (dba Heart of Boynton Village Apartments LLC)

E. Semi-Annual Progress Report - MLK Jr. Boulevard Corridor Mixed-Use Project (aka Heart of Boynton Village Shops)

17. Adjournment

Motion

There being no further business, Board Member Hay moved to adjourn. Board Member Kelley seconded the motion. The motion passed unanimously. The meeting was adjourned 10:52 p.m.



Catherine Cherry
Minutes Specialist