

## SUMMARY MINUTES

### REGULAR COMMUNITY REDEVELOPMENT AGENCY ADVISORY COMMITTEE MEETING

Monday, January 7th, 2008

A regular meeting of the Chairman and Members of the Community Redevelopment Agency Advisory Committee (CRAAC) was held at the North Miami City Council Chambers at 6:09 p.m.

(Phonetic spelling of each speaker's name may be used throughout the minutes unless correct spelling is known.)

#### I. Call to Order

<b>ROLL CALL</b>	<b>Absent/ Present</b>	<b>Absences 2007-08*</b>
Blanca Cobo	<b>A</b>	<b>3</b>
Judy Feldman	<b>P</b>	<b>1</b>
Dr. Smith Joseph	<b>P</b>	<b>2</b>
Michael McDearmaid	<b>P</b>	<b>0</b>
Roseline Philippe	<b>P</b>	<b>0</b>
Clark Reynolds	<b>P</b>	<b>1</b>
David Rosemond	<b>P</b>	<b>1</b>
Duke Sorey	<b>P</b>	<b>2</b>
Armando Vidal	<b>A</b>	<b>2</b>
Mark Wolin	<b>P</b>	<b>0</b>
* Absences from special or rescheduled meetings are not counted		

#### II. Approval of Agenda

The CRA Executive Director requested to add two items, firstly under old business, the CRA Executive Director requested to add a discussion on the topic of the CRA retreat, and under new business, the Executive Director requested to add a presentation by Pam Solomon from the City of North Miami regarding the City's branding project.

The CRA Executive Director also requested to remove item VII from the agenda because more work was needed on this issue before discussion would be appropriate.

### **III. Approval of Minutes**

Mr. Wolin requested that the words "...to seek additional funding sources" be removed from the end of paragraph three under item VIII of the draft minutes for the CRAAC meeting on December 3, 2007. There were no objections to this request.

Motion was made and seconded

**To approve the minutes to the December 3rd, 2007 Regular Advisory Committee Meeting as amended**

*Approved 8-0*

Pam Solomon from the City of North Miami then gave a presentation on the City's Branding Project. The City issued an RFP for the branding campaign that would include a new city logo, vision, and key messages, etc. Upon final rankings, Soffer Adkins was selected to undertake the project. Soffer Adkins has developed a number of design schemes that were presented to city staff, the business development board, and the City Council. During its meeting on December 11, 2007 the City Council decided that more community input was needed before a final brand should be selected, therefore further community workshops would be held prior to a final decision.

Ms. Philippe argued that it was a bad idea to totally revamp the City's logo because other cities and organizations were probably familiar with the City's current logo so changing it entirely might cause the city to lose some of this familiarity.

The CRA Chair stated that regardless of whether the members of the committee liked the current design concepts proposed by Soffer Adkins, it was important to create a new, "fresh" and universal brand to be used by all departments, because currently the lack of coordination between departments with regards to branding is not very professional.

### **IV. Proposed Contractual Agreements to implement FY 2007-08 Projects and Programs between the CRA and (a) Dynamic Community Development Corporation, and (b) JHS and Associates, Inc.**

The CRA Executive Director reviewed the proposed scopes of service and budgets from two organizations that are to receive funding from the CRA's 2007-08 budget for selected projects and programs. The Dynamic Community Development Corporation is being funded to provide small business outreach, workshops and job fairs, and JHS and Associates is being funded in the budget to provide an academic internship program.

Mr. De Rosa from the Dynamic Community Development Corporation provided an update on their recent activities in the city. A job fair was held on December 5<sup>th</sup> of 2007 at the Gwen Margolis Community Center, with 18 companies

represented. Out of a total of 201 participants that participated in the job fair, a total of 25 jobs were created to date with several reports pending, 12 of which were within the City of North Miami's boundaries.

*Moved by Mr. McDearmaid, seconded by Mr. Rosemond*

**To approve the recommended scopes of service and budgets for FY 2007-08 contract preparation and to commend the Dynamic Community Development Corporation for its work.**

*Approved 8-0*

#### **V. Status Update regarding the Side Letter for the Bel House Apartments Lease/Purchase Agreement and the Proposed Bel House Management Agreement between the CRA and North Miami Housing**

The CRA Executive Director explained the two side letters addressed to the current owners of the Bel House Apartments. The letters stipulated various extra clauses in the lease/purchase agreement between the CRA and the current owners of the Bel House apartments. The CRA Executive Director was happy to report that earlier that day, the owners of the Bel House apartments came to the CRA offices and signed to accept the additional terms reflected in the two side letters.

The CRA Executive Director then went on to explain the proposed management agreement between the CRA and North Miami Housing for the Bel House Apartments property that was included in the agenda packet. Until the management agreement is finalized and signed by both parties, the current owners of the Bel House Apartments will act as the property managers and forward all rents to the CRA. Once the day-to-day management of the property has been set in place, the CRA will then seek funding for the rehabilitation of the Bel House East building and issue an RFP for the rehabilitation work in coordination with the owners, City staff, and North Miami Housing.

Ms. Feldman asked for clarification as to how much the current owners have agreed to contribute to the repair of the roof and the electrical system. The CRA Executive Director explained that the total amount the current owners would contribute toward these specific repairs was \$100,000 that would be in addition to the \$675,000 that they had already agreed to contribute toward the rehabilitation of the property to meet basic living standards.

#### **VI. Status Update regarding Pioneer Gardens Site/Environmental Conditions and Remediation**

The CRA Executive Director gave an update on the Environmental Remediation taking place at the Pioneer Gardens site. The environmental remediation will be divided into two phases; phase 1 will involve removing approximately 9,000 tones of asbestos contaminated soil from the site at a probable cost of around \$500-600,000. Phase 2 will involve removing other material that may have asbestos as

well, such as a 100 square foot area of roofing materials in the middle of the site, and an 8-inch diameter pipe buried in the southwest corner of the site. During investigation of the site, subsurface evidence of the old Miami-Dade Water and Sewer Authority's (WASA) wastewater treatment plant was discovered, which, according to an agreement between the City of North Miami and WASA, should not be there. Therefore the CRA will now be trying to recoup some of the costs of site remediation from WASA.

Mayor Burns added that while the CRA will attempt to recoup some funds from WASA for site clean-up, seeing as the waste water treatment plant was removed from the site nearly 30 years ago, and if the City did not hold WASA up to their obligations to completely remove the structure back then, it may be hard to get WASA to pay for the rest of the removal today. Mayor Burns also suggested that perhaps the reason why WASA did not completely remove the entire structure was that the City may have told WASA that they wished to keep part of it intact to use for storage.

#### **VIII. Proposed Loan Terms on CRA Subsidies for Home Purchase Assistance and Single-Family Home Rehabilitation Assistance**

The CRA Executive Director explained the requested guidance for the implementation of the Affordable Housing Policy section of the Redevelopment Plan. The proposed rules/regulations would guide the structuring of the CRA's subordinate "soft" mortgages, and also call on the CRA Executive Director to implement procedures to help ensure that the CRA-assisted affordable housing units remain affordable for subsequent eligible and qualified buyers.

Ms. Feldman asked about the current occupants of the Bel House Apartments and whether they will be removed to make way for households on the CRA's affordable housing waiting list. The CRA Executive Director explained that those occupants are currently on a month-to-month rental arrangement and will be permitted to stay as long as they abide by the CRA's rules and regulations. When these occupants decide to leave on their own, their units will be made available to households from the CRA's waiting list for affordable rental housing.

Mr. McDearmaid asked for clarification on whether the minimum mortgage payment after the initial 12 month period will be a flat \$10 per month, or whether the payment will be \$10 per \$1,000 of principal remaining on the loan per month. The CRA Executive Director explained that the \$10 is a flat rate per month independent of the size of the loan. The CRA Executive Director re-emphasized that this is the minimum payment, not the maximum, and will only be available to those households whose total monthly expenses of principal, interest, taxes, insurance, etc. for the home (either acquisition or rehabilitation) including the CRA subsidy loan, are equal to or greater than 30% of the borrower's income. Even these households may pay more than \$10 per month; this is simply the minimum they must pay.

Mr. Wolin asked how interest rates on the CRA's loans will be determined. The CRA Executive Director explained that the interest rates will be set at below market rates, without committing to an exact figure but estimating that they might be around 0-3% based on the comparable public subsidy market.

Mr. Wolin then requested to go on the record to state that while he agrees with the concept of the CRA issuing affordable housing assistance, the policies outlined by the CRA in agenda item VIII with regards to the guidelines for such assistance are far too vague and lack any real underwriting standards to ensure that any beneficiary of such loans will be responsible for paying back the loan. Mr. Wolin went on to say that you would have a lack of uniformity, by vesting too much discretion in the Executive Director you could lay the groundwork for another mini sub-prime mortgage, and moreover that this program does not actually create affordable housing, but just takes existing unaffordable housing and gives people who can't afford it the money to move in. The CRA mission would be better focused on the creation of affordable housing.

The CRA Executive Director replied to Mr. Wolin by stating that there are other parts of the policy outlined within the affordable housing policy section of the redevelopment plan, a complete copy of which was provided as an attachment in the agenda packet that should be taken into context when evaluating the suggested changes to the redevelopment plan within agenda item VIII.

The CRA Attorney asked the CRA Executive Director to clarify whether in any circumstances CRA loans could be made exceeding 100% of the value of the home. The CRA Executive Director responded that was not the intent, with the understanding that the CRA subsidy loan is a gap financing subordinate mortgage to make up the difference between the first and any other mortgages obtained by the borrower and the value of the home.

*Moved by Mr. Rosemond, seconded by Mr. Sorey*

**To support the proposed guidance for the implementation of the affordable housing policies relative to CRA subsidies in the Redevelopment Plan.**

*Approved 7-1 (with Mr. Wolin against)*

## **IX. Proposed Guidelines for the CRA's Single-Family Home Rehabilitation Program**

The CRA Executive Director reviewed the proposed guidelines for the CRA's Single-Family Home Rehabilitation Program. During the preparation of the guidelines, the CRA, North Miami Housing, and the Housing Manager of the City of North Miami provided input. The guidelines were designed to be complementary to the City of North Miami's single-family home rehabilitation program.

*Moved by Mr. Sorey, seconded by Mr. Reynolds*

**To recommend the approval of the guidelines for the CRA's Single-Family Home Rehabilitation program to the CRA Board**

*Approved 8-0*

#### **X. Status Update regarding the CRA Commercial Grants Program**

The CRA Executive Director gave a status update regarding the CRA commercial grants program. Of the 22 original applications for grants, the CRA Board approved 20, 4 were subsequently cancelled by the CRA, and last spring 1 more project was approved, so that currently there are a total of 17 projects. The CRA is planning to open up the application process for the Commercial Grants Program again in late February or March of 2008.

Mr. Rosemond asked how the CRA promotes the program, the CRA Executive Director explained that the program is advertised in the Miami Herald neighbor's section, flyers are prepared and widely distributed, and announcements are made about the program at the CRA's small business workshops. In addition, the CRA also tries to get the word out about the program via the chamber of commerce and business development board. Finally, the CRA staff drives the City to identify buildings that look like they need assistance and mails flyers to the targeted property owners.

#### **XI. Old Business**

There was then a discussion on the idea of a retreat with the CRA Board and Advisory Committee. The CRA Chair felt that the CRA Advisory Committee should drop the whole topic as it is only serving to aggravate the CRA Board. Other members of the Committee, such as Ms. Feldman, Mr. Sorey, Mr. Rosemond, Dr. Smith Joseph, and Ms. Philippe felt strongly that the CRA Advisory Committee should proceed with the planning of such a retreat. Mr. McDearmaid said that during the last joint meeting between the board and advisory committee, there was a consensus that a retreat was a good idea, so there is no reason not to proceed with it, he also mentioned that Barry University and FIU would be a good place to find a meeting facilitator. Mayor Burns expressed the opinion that the CRA Advisory Committee should focus on developing a vision of where the North Miami CRA area should be in 5 years, and then come up with a plan on what role the CRA can play in achieving this vision. Mayor Burns concluded that for this 5-year visioning process to be successful, the Board and Advisory Committee need to be on the same page. Mayor Burns indicated his full backing for a retreat and suggested that the best way to get full participation from the board members might be if he himself, acting in his role as chair of the CRA Board, takes the initiative to set up the retreat and invite everyone. But Mayor Burns also said that any members of the Advisory Committee can and should take the opportunity to get together and speak to the

board member that appointed them whenever they feel that there has been a communication breakdown.

**The meeting was adjourned at approximately 8:01 pm**