

SUMMARY MINUTES

REGULAR COMMUNITY REDEVELOPMENT AGENCY ADVISORY COMMITTEE MEETING

December 7, 2006

A regular meeting of the Chairman and Members of the Community Redevelopment Agency Advisory Committee (CRAAC) was held in the North Miami CRA Offices on Thursday, December 7, 2006, beginning at 6:15 p.m.

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

ROLL CALL

	Absent/ Present	Cumulative From 2/9/2006	
		(P)	(A) *
Blanca Cobo	A	8	2
Inez Couch	A	7	2
Judy Feldman	P	8	2
Dr. Smith Joseph	P	7	1
Michael McDearmaid	P	10	0
Jean Monestime	P	5	0
Clark Reynolds	P	9	1
Bill Valentine	A	7	2
Duke Sorey	P	8	1

* Absences from special or rescheduled meetings are not counted

APPROVAL OF MINUTES: Minutes to the November 2, 2006 Regular Meeting and November 13, 2006 Special Meeting were approved by the Committee.

INTRODUCTION

After self-introductions by some of the public attending the meeting (Jack Yoches, Stan Saltzman), Joyce Oliver was introduced as the Executive Assistant to Mr. Crapp. She had been Mr.

Crapp's assistant at Miami-Dade County for many years before agreeing to work for the CRA on a part-time basis. Mrs. Beatrice Crapp, the Executive Director's wife, was also introduced. The Executive Director and the Committee thanked both of them for the providing the wonderful refreshments for the CRA's first holiday celebration.

ITEMS FOR REVIEW AND/OR DISCUSSION

The Executive Director the asked Chair Clark Reynolds to change the order of the items for discussion as CRA Board Member Scott Galvin was expected to attend the meeting for the CRAAC's discussion on Agenda Item III regarding Pioneer Gardens. Therefore, items V, VI, and VII were considered first.

ITEM V - Status Update regarding applications for CRA Commercial Rehabilitation and Beautification Grants – Discussion

The Executive Director reviewed the process for the creation of the Commercial Rehabilitation and Beautification Grant programs. The program was advertised and applications were accepted from October 16, 2006 until November 17, 2006. The next step is the evaluation process in December where there will be a meeting with all applicants for them to present their proposals, followed by a meeting of the review committee which will then make recommendations to the Advisory Committee and then to the CRA Board.

Chair Clark mentioned that he has made an application to the beautification grant for a light treatment for a building he owns on 125th Street, which will not benefit tenants so he would not have done something like this on his own, but felt that it would add to the City. He noted that he therefore cannot serve on the review panel.

The Executive Director pointed out that the map included in the agenda packet shows the location of all applicants, as the CRA has targeted specific commercial corridors in the City including NW 7th Ave, West Dixie/NE 6th Ave, and NE 125th Street.

Chair Clark asked about how the review committee will be created. The Executive Director said that it will be comprised of CRA staff, Dan Lima, one or two members from the CRAAC (Mike McDearmaid and Judy Feldman had volunteered at the previous meeting), as well as a member of the Business Development board and/or the Greater 7th Avenue Improvement Association.

Item VI - Status Update and Contract Award recommendation for CRA RFP #2006-02 RE: Independent Auditing Services – Discussion

The Executive Director explained that in the packet there is a memo updating committee members on this RFP, a copy of the resolution authorizing the issuance of the RFP, the RFP itself, and a listing of the seven proposals received by the CRA for Independent Auditing for the 2005-06 fiscal year. In addition, each Committee member was provided with a CD which contains the complete proposals for the applicants being considered. An attachment was handed out at the

beginning of the meeting which contained an updated memo and ranking worksheet for both RFPs.

The Executive Director described how the evaluation committee, comprised of himself, Chuck Adams, and Carlos Perez, the Finance Director for the City, evaluated the proposals. They had two meetings earlier in December and ranked the applicants. The worksheet shows that Sanson, Kline, Jacomino earned the highest rank, followed by Alberni, Caballero & Castellanos, and then Rachlin Cohen & Holtz. A recommendation is being made to the CRA Board to negotiate a contract with Sanson, Cline, and if that fails, to negotiate with the next two ranked firms.

Chair Clark said that he is always concerned when someone comes in well below the other bids, and the Sanson, Kline bid is considerably lower than the others. He asked if this is a well-known firm with good references. The Executive Director explained that they have a long track record, and recommendations are included in the proposal which is on the CD. They do the CRA work for the City of Miami among others. Jean Monestime was also concerned about the very low fees offered by the recommended company. The Executive Director said that in the proposal, the company stated that their normal fee would be \$16,000, but they are providing a 50% discount as they are going after the CRA market. Judy Feldman said that all respondents based their estimates on the same RFP, and she didn't feel the committee can complain if the price is too low. The Executive Director added that he and the others on the review committee were concerned that this was an estimate designed to get this years' business and then the cost would skyrocket the following years. However, he discussed this with someone from the firm that said it should not go up for the second year and beyond. He also noted that the contract is just for this year, so if the price does go up substantially the CRA is free to bid the contract out again.

MOTION

Made by Michael McDearmaid, seconded by Judy Feldman

A motion was made to move to the CRA Board the Executive Director's recommendation to negotiate a contract with Sanson, Kline Jacomino & Company LLP as the first ranked firm pursuant to an evaluation of the responses.

Approved 6 to 0.

**Item VII - Status Update and Contract Award recommendation for CRA RFP #2006-03
RE: Homebuyer Training, Credit Pre-Qualification and Purchase Assistance Services –
Discussion**

The Executive Director asked Committee members to refer again to the handout which contained an updated memo, evaluation worksheet, and resolution related to the Homebuyer Training, etc., RFP. Three proposals were submitted by the deadline and were reviewed by an evaluation committee comprised of the Executive Director, Chuck Adams, and Tom Calderon, the City's Housing Administrator. One thing the committee determined is that the submission by Centurion Community Development Community Center should be considered non-responsive to the requirements of the RFP. It lacked details and substance when compared to the others. Of the two remaining firms, the Housing Partnership of North Miami, comprised of the Nanay Housing Resource Center, the Little Haiti Housing Association, and Neighborhood Housing Services was

the top ranked firm. He is recommending that the CRA enter into negotiations with the Housing Partnership, but if the CRA can't reach an agreement with them, the CRA should not go with the next ranked firm as it does not adequately meet the CRA's needs. The process would have to start again.

Judy Feldman asked about why there were only three responses. The Executive Director could not answer that directly but said that the CRA did hold a pre-bid conference that was very well attended where he went over the requirements from the RFP. It was advertised in the Daily Business Review and the website, as well as sent directly to every housing agency as listed by HUD and Fannie Mae as operating in South Florida.

Chair Clark asked about the individual organizations that comprise the Housing Partnership for North Miami. The Executive Director explained that Nanay's Housing Resource Center is new to this kind of activity but they have partnered with some of the most experienced organizations in the County. Little Haiti Housing has a lot of experience providing Credit Training and Pre-Qualification services, particularly for the communities we will be seeking to serve. Neighborhood Housing Services has a decades old, national reputation providing these services. They are probably the premier provider of these services in the County. Mike McDearmaid said that they have longevity and quite a list of projects completed.

Jean Monestime wanted to make sure that the CRA had in place whatever checks are necessary to make sure that the problems experienced by Miami-Dade Housing do not occur in North Miami.

MOTION

Made by Michael McDearmaid, seconded by Judy Feldman

A motion was made to move to the CRA Board the Executive Director's recommendation to negotiate a contract with The Housing Partnership of North Miami for Homebuyer Training, Credit Pre-Qualification and Purchase Assistance Services.

Approved 6 to 0.

Item IV (out of order) - Discussion Item continued from November 2, 2006 regarding Proposed Criteria for Sponsorship/Support of Local Organization Events, Programs and Functions

At the November 2 meeting there was a brief discussion on this item, but it was tabled to be brought back before the Committee today. The Executive Director explained that this provides a policy for how to determine whether or not to sponsor organizations that request support from the CRA. The policy will set some parameters to evaluate these requests. He reviewed the five points in the memo (see agenda packet).

DISCUSSION

Chair Clark said that the policy addresses the issues discussed previously, by providing guidance while not limiting sponsorship opportunities. The Executive Director reminded Committee members that this policy is not required, but was requested by the Committee. Jean Monestime

asked how would items come before the Committee. The Executive Director explained that he will be bringing things to the Committee after it meets the criteria and then decide whether or not he supports it. He would then recommend to the Committee and then the CRA Board which would have to approve those request that would have a cost in excess of the Executive Director's expenditure authority.

Michael McDearmaid asked about the limitation that the CRA will only fund an effort which "is directly related to and supportive of the CRA Redevelopment Plan and/or provides a direct benefit to the CRA that is consistent with Redevelopment Plan objectives." The Executive Director said that the criteria is relatively broad as the Redevelopment Plan has many objectives. However, the Plan is somewhat limited in terms of social service efforts – it is more oriented to promoting development. He added that the policy would provide some protection to the CRA by making sure that the sponsorship does indeed support the plan, a statutory requirement for any TIF expenditure.

Jean Monestime gave the example of an HIV victim's organization that is requesting that the CRA buy a table at their event – would that qualify? The consensus was probably not. The Executive Director stated that whether or not the CRA has a policy, the expense must still support the CRA plan. Dr. Joseph thought the policy was not necessary. Mr. Monestime added that items still have to go before the committee and the Board, so why is the policy necessary? Mr. Sorey concurred that it is not necessary as it could open things up in the other direction – that is, by having the policy, people may say they should get funding because they are able to show that it does meet the criteria in the policy. Chair Clark thought the policy would provide protection from all those asking for money. Judy Feldman concurred saying that there should be defenses in place so that the CRA doesn't get bogged down with these requests. She felt it would reduce the risk of the CRA's becoming a "public trough" that people can get money from. Chair Clark felt that with the policy in place, the Executive Director will be able to point to the policy when explaining to an applicant why he can or can't recommend it.

Mike McDearmaid wanted to find a compromise that the Executive Director could use his own discretion when requests are made and then determine whether or not to bring the item before the Committee and CRA Board. The CRA Attorney, Steve Zelkowitz, suggested to Committee members that if they want the Executive Director to make these decisions, the policy really should be in place so that he can defend his "yes" or "no" based on a specific policy. Without a policy, the CRA Attorney would recommend that all requests go through the Committee and the CRA Board to let them make the decisions. Otherwise there could be legal implications that decisions are based on his sole discretion. Jean Monestime said that the City Council doesn't have such a policy, so why should the CRA Board? And in any case, he feels that the CRAAC doesn't have any decision making power, so there is no need for the policy.

MOTION

Made by Judy Feldman, seconded by Duke Sorey

It is recommended that the CRA Advisory Committee adopt the guidelines listed in Executive Director's proposed guidelines for use by the CRA in determining the mer-

its of providing sponsorship and/or support funding for local organization events, programs and functions

Approved 4 to 2 (Jean Monestime and Dr. Smith Joseph dissenting).

Item III (Out of order) - Update regarding the action of the CRA Board relative to the Pioneer Gardens affordable housing development Architect's Construction Estimate, Pre-Development Budget, and Pre-Development Loan Application; and Project Timetable – Staff Oral Report

The Executive Director stated that in the package there is a memorandum providing a recap of the CRA Board meetings and Advisory Committee meetings in November related to this item. At the November 28 meeting, the CRA Board directed staff to provide the information regarding this item to the CRAAC to review and provide any additional input. This input would be given back to the CRA Board at their upcoming meeting on December 12, 2006. The Executive Director then reviewed actions by the CRA Board on November 28.

The following is an excerpt from the 11/30/2006 memo:

On November 28, 2006 the CRA Board adopted the following resolutions: (1) Resolution approving the Pre-Development Plan and Budget for the Pioneer Gardens affordable housing development in accordance with section 3.1 of the subject agreement pursuant to the CRA's review of the request submitted by North Miami Housing provided that (a) the approval is based on the scenario for home sales to 68 or 50% affordable homebuyers and 68 or 50% workforce homebuyers. (b) the pool amenity is to be deleted and replaced with an alternative amenity such as a tot lot, gym/exercise room, etc., (c) the approved preliminary estimated development cost for the development is not to exceed \$35,214,200, and (d) the CRA obtain a market study relative to the potential to successful market and sell the Pioneer Gardens housing units at the projected prices of \$222,200 and \$289,000 prior to the CRA's review and consideration of the Total Development Plan and Budget for the project to be submitted by the developer prior to the commencement of any additional construction beyond demolition and site work; and (2) Resolution approving the budget request for the Acquisition and Development (e.g. A&D) Loan for the Pioneer Gardens affordable housing development in an amount not to exceed \$3,064,980 pursuant to the CRA's review of the request submitted by North Miami Housing.

The Executive Director noted that at the November CRAAC meeting, the Committee recommended approval of the A&D loan pursuant to the Executive Director's efforts to reduce the requested loan amount from the \$3.4 million level closer to the original goal of about \$2.6 million. After discussions between the CRA Staff and the developer, North Miami Housing (NMH), the developer was able to reduce the A & D loan to an amount not to exceed \$3.065 million.

DISCUSSION

Chair Clark asked what was expected from the CRAAC related to this item. The Executive Director responded that at the CRAAC's November 13, 2006 meeting, the Committee asked the CRA Board to come up with ideas in order to make the Pioneer Garden units more affordable to the targeted income group of between 50% to 120% of they County's Area Median Income (AMI). At the November 28 meeting, the CRA Board passed a resolution selecting the 50/50

scenario providing 68 units of affordable housing and 68 units of workforce housing per this criteria. The CRA Board would now like to get feedback from the CRAAC as they were not able to weigh in on this prior to the CRA Board meeting.

The Executive Director then reviewed some of the different options presented to the CRA Board, namely two versions of three scenarios (see agenda packet). The two versions are one with and one without an elevator. However, the “no elevator” option was not considered by the CRA Board. The three scenarios each offer a different mix of units available as affordable at \$222,200, with the remaining workforce housing units selling at approximately \$289,000. The 50% workforce housing (Scenario III B) was the one selected by the CRA Board.

Chair Clark then asked if the Committee should choose between the three scenarios and the Executive Director explained that the third scenario had already been selected and the CRA Board, which is just asking for feedback. CRA Board member Scott Galvin was in the audience and provided additional information. He said that he was the maker of the motion to bring this before the CRAAC because he greatly values their opinion, despite some rumblings that the CRA Board did not listen to the CRAAC. He added that after they voted on the resolution, some constituents complained that the CRA Board voted on it without getting the CRAAC’s opinion. Chair Clark replied that the CRAAC did discuss the item and unanimously passed a resolution to have the CRA Board make the decision. Mike McDearmaid disagreed. Scott Galvin reiterated that he still wanted to know whether or not the Committee supported their decision.

Judy Feldman stated that at the last CRAAC meeting, they had spent considerable time discussing the Pioneer Gardens development and finally concluded that there was no solution. Therefore the CRAAC asked the CRA Board to find alternatives. She added that if constituents complained to Mr. Galvin, they were misinformed because the CRA Board did what the Advisory Committee asked them to do.

Mr. Galvin once again stated there are complaints that he and fellow Board members are not listening – he even lost an appointee to the Committee because of this feeling. Jean Monestime addressed Mr. Galvin’s concerns by saying that he is one of the people who feels that important things are not coming before the CRAAC before going to the CRA Board. Mr. Monestime asked if the decision by the board is consistent with the CRA Plan and the Munisport agreement. Will this trend continue? He asked if we will now say that 3,000 affordable and 3,000 market rate units will satisfy the one-for-one criteria from the agreement? And also, Mr. Monestime asked the CRA Attorney to consider that Pioneer Gardens is being built on City owned land, and he’s heard comments from people because the developer wants to ensure a certain level of profit.

The CRA Attorney then advised Committee members that the Munisport agreement does not have an income definition of what affordable housing is, so there is no guidance as to whether or not the specific housing choices being provided by the Pioneer Gardens project satisfies the promise made to the citizens of North Miami. The Munisport agreement does not provide any price or targeted income range for housing to be considered “affordable.” He also noted that the developer is not making a “profit.” The developer is liable for any cost overruns and is paid a specific fee. Any money that is “left over” from sales proceeds the CRA could use for this or any

other CRA project as it owns the land and is simply hiring a developer to build the housing for a guaranteed maximum price.

Michael McDermid said that, with all due respect, it is his opinion that this project is not going to work. Mr. Galvin then asked why he felt that, and why hasn't the Committee stated that in any of their recommendations? He added that he personally understands what it's like to need affordable housing. Mr. McDermid said that he knows of a property just a few blocks away that has 30 units of renovated units available right now. Jean Monestime said that he has seen plenty of 3 story housing without elevators, so why not consider that? There are other ways to reduce costs.

[At this point Jean Monestime had to be excused, and there was no longer a quorum. According to the CRA Attorney, discussion could continue, but no motions could be made]

Mr. McDermid continued that he has spoken to many experts around the country, and they say it's unlikely to work as there is not even a market analysis to determine if it's going to sell. He also was concerned that the developers may be making the 15% fee on the market-rate units. So there are a lot of questions. Mr. Galvin again asked why aren't these types of concerns making it to the CRA Board. If what he is hearing is a reflection of Committee member concerns, make a motion saying that the project should not go forward. He can't promise that he would concur when it comes before him on the CRA Board but the Committee should make it's voice heard officially. Chair Clark said that the CRAAC is a young organization and has not been grappling with these issues for years as the CRA Board has, so they should not expect decisions such as Pioneer Gardens to be made here.

The chair called on Mayor Kevin Burns who was in attendance and had asked to address the Committee. He began by explaining that according to the Munisport agreement, the developer is under no obligation to deliver affordable housing if neither the City nor the CRA provides them the land or properties to be rehabilitated. The 15% fee is the amount agreed upon by the previous City Council after numerous public debates on the issue, and this fee is not related to sales price but cost of construction. He suggested that the 15% is not changing, so there is no need to continually revisit this issue. In terms of keeping costs down, they have promised to bid out all the major pieces of the project. So the prices may actually come down, as the current estimates are based on conditions that are changing rapidly.

The Mayor continued by referring back to a conversation he had with the Executive Director where he told him that if the CRAAC does not have a quorum, he should not keep items from coming before the CRA Board. He added that in his opinion, if Pioneer Gardens came before the Board in its current state, he does not think it would have gone forward. But this is a project that was promised to the community, that the previous City Council wanted to happen, even without doing the studies and analyses. To pull back from it now after two and half years of promises would make too many discouraged citizens. Furthermore, the Mayor said that he and the Executive Director have made significant efforts to look at alternative affordable housing options, by putting together workshops and talking to developers and investors, asking them what they need from the CRA to create more affordable housing. The consensus was, if your apartment complex meets the CRA criteria we can find you the buyers or renters. That way they don't have to market the units. This is process that the CRA is going through right now, by qualifying buyers

through a process that will be coming before the Committee and CRA Board. Creating an efficient, neutral, buyer qualification process will set the foundation for the work of the CRA for the next 10 years, and it is currently under way.

Mike McDearmaid suggested that if the CRA money earmarked for Pioneer Gardens is put into a pot and made available, more people would be in affordable units far sooner than the completion of Pioneer Gardens. Therefore, he felt the CRA's money is not being effectively used and the Pioneer Gardens development may not be the most efficient use of this money. The Mayor cautioned that with the condo conversions, some renters will be displaced, therefore creating 6,000 affordable units, in net terms, could be problematic. He continued that there are a variety of different types of housing and subsidies that the CRA will be creating but not everything will be available in the first year. There should eventually be a mix of some new housing, rehabs, condos, rentals, and townhomes.

The Mayor also stated that the Committee should refrain from constantly discussing the role of North Miami Housing, as they are at this point the developers that the CRA must use according to agreements signed and approved by the City of North Miami. He said that we need to make it work the best we can within the existing parameters. We must make sure that we double check their cost estimates, but not debate their involvement.

Mike McDearmaid said that his problem is not with NMH, but the machinations over the past two years over this one project while not working on the other options. He reiterated that the 50% split for affordable housing may not be viable according to experts he has spoken to. Chair Clark said that despite the fact that this project is not ideal, the political reality is that it must go forward.

Duke Sorey made the point that over the years, he has been very impressed with what the City of Hialeah has been able to accomplish in terms of building quality affordable housing. He feels that it's a totally different City from 15 years ago – how did they do it? Is there a blueprint for how this is done? He would like to see similar things happen in North Miami, so he wants to go forward. He said that he previously stated that Pioneer Gardens is not affordable housing but nonetheless feels that the CRA needs to go forward with the project so that it can move on to other efforts. Mr. McDearmaid added that we “need to move the flag,” from Pioneer Gardens and move on. There is simply too much effort focused on Pioneer Gardens, so let it develop on its own and move on to other efforts.

According to the Mayor, Pioneer Gardens is going forward, the CRA's line of credit request is in the process and pending approval by the County. He said that the Executive Director will be coming back with some other great opportunities that have come from the outreach done in the past few months. He also made the point that he thinks that the mixing of incomes in a project is really something that should be pursued to keep places from being stigmatized. Mike McDearmaid replied that the 50/50 mix is probably not the best answer. Judy Feldman stated that there is no right answer, and that Pioneer Gardens is a boondoggle that we are stuck with. Its costing time and energy, it is debilitating to the Committee and the CRA Board. So she suggested to Scott Galvin that he and other Board members should not look to the CRAAC for answers on this. Mr. Galvin reiterated that he still would have appreciated the CRAAC coming up with a

recommendation to not go forward. The motions that came from the Committee did not give him this message, and instead he had to listen to various calls from people after the CRAAC meetings. He asked that the Committee be clear about the advice given to the CRA Board– he may not follow it, but wants to know how they feel.

Mike McDearmaid said that ever since the first meeting of the advisory committee, he felt that there was a consensus that this project should not go forward. Now we are at this point, and he doesn't know if the best solution for Pioneer Gardens is going to come from North Miami Housing. They have so much invested in it at this time that they may not be looking for the best alternatives anymore. He then mentioned that Stan Saltzman, a developer who was in the audience, may have some great ideas by creating pre-fabricated housing that can greatly reduce the costs. The Mayor concurred that Mr. Saltzman's product is excellent and he has been met with him already and will hopefully work with him. However, he felt that Pioneer Gardens should still go forward as planned.

The Executive Director added that the issue that should be considered is the market demand for the units as planned. He feels that there will be overwhelming demand for 3 bedroom, 2.5 bath new townhomes, selling for \$222,200 - \$290,000 – with or without a market study. Mr. Galvin concurred. Dr. Joseph agreed that we are already beyond the point of no return – the airplane has taken off, so let's see if it flies. Duke Sorey agreed that this is a learning experience, so let's move forward.

The Executive Director concluded by telling the Committee that he has met with many investors that are working on condominium conversions, and has found many great opportunities, but uncovered other issues as well. It will be part of an overall affordable housing strategy that will be coming before the Committee at the next meeting.

Meeting adjourned at 7:57 pm.