

## SUMMARY MINUTES

### REGULAR COMMUNITY REDEVELOPMENT AGENCY ADVISORY COMMITTEE MEETING

**Monday, April 9, 2007**  
(postponed from April 2)

A regular meeting of the Chairman and Members of the Community Redevelopment Agency Advisory Committee (CRAAC) was held in the North Miami CRA Offices beginning at 6:07 p.m.

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

<b>ROLL CALL</b>	<b>Absent/ Present</b>	<b>Absences 2006-07*</b>
Blanca Cobo	<b>P</b>	<b>2</b>
Inez Couch	<b>A</b>	<b>2</b>
Judy Feldman	<b>P</b>	<b>0</b>
Dr. Smith Joseph	<b>A</b>	<b>1</b>
Guy Laurenceau	<b>A</b>	<b>0</b>
Michael McDearmaid	<b>P</b>	<b>0</b>
Jean Monestime	<b>P</b>	<b>1</b>
Clark Reynolds	<b>P</b>	<b>0</b>
Duke Sorey	<b>A</b>	<b>0</b>
Bill Valentine	<b>A</b>	<b>4</b>
Armando Vidal	<b>P</b>	<b>0</b>
Mark Wolin	<b>P</b>	<b>0</b>
* Absences from special or rescheduled meetings are not counted		

#### APPROVAL OF MINUTES:

The minutes of the March 5, 2007 Regular Meeting were unanimously approved by the Committee.

After the roll call, Chair Clark Reynolds asked for self-introductions from the members of the audience: Carli Teproff, Miami Herald; Bonnie Clearwater, MOCA; Nadine Pierre-Louis, North Miami Housing; Stan Saltzman, Keiko Investments; Sean Williams; Joy Bruce, Evelyn Bruce, and Bennie Trinidad, NANAY Housing Resource Center; Andy Dolkart, Miami Economic Associates, Inc; Filipe Echarte and Joe Thomas, Marcus Millichap, Inc.; and Jack Youches.

## ITEMS FOR REVIEW AND/OR DISCUSSION

### **Item III - Status update regarding the CRA's FY 2005-06 Annual Activity Report and Independent Audited Financial Statements for FY 2005-06 that was approved by the CRA Board and submitted as required by March 31, 2007**

The Executive Director stated that at the March 27, 2007, the CRA Board approved the draft Annual Activity Report and Independent Audited Financial Statements for FY 2005-06. The report was transmitted to the City of North Miami and Miami-Dade County. In addition, the required notice was published in the Miami Herald regarding the availability of the report on Friday, March 30, 2007. Also at the March 27 meeting, there was a presentation made by Richie Tandoc, a partner with Sanson, Kline, Jacomino & Company, LLP, in relation to the 05-06 Audited Financial Statements and Management letter. A copy of his presentation is included in the agenda packet where Mr. Tandoc addresses the role the auditors play, the areas covered, and comments by the auditors. The report states that the CRA has met all the requirements of the audit and were found in compliance, with no material weaknesses or material non-compliance issues. As he was unable to attend the March Advisory Committee meeting, Mr. Tandoc has agreed to make himself available by telephone to any member of the Committee who may have questions.

#### DISCUSSION

Mr. Wolin stated that at the March CRAAC meeting, the Committee was told that the auditor would attend the next meeting to answer questions on their recommended procedures for financial controls. Mr. Wolin expressed his disappointment that he is not present and did not feel that making him available to members individually is satisfactory. He felt that the benefit of an advisory committee is to be able to discuss things as a group. Mr. Wolin stated that he feels that strict financial controls are essential to the accomplishment of the CRA's mission. He added that at the last meeting Mr. Vidal made a motion that the CRA should adopt all 7 of the auditor's recommendations. That motion was tabled pending the visit by the auditor and Mr. Wolin asked that Mr. Vidal's motion be renewed. The CRA Attorney clarified that as Mr. Vidal's motion at the last meeting was tabled, there is no pending motion, so a new one would have to be made, if that's the intent. No motion was made, but Chair Reynolds concluded that the CRA staff is directed to invite the auditor to the next meeting.

Mr. Wolin went on to say that he may agree with the Executive Director's responses to the auditor's recommendations, but would like to be further educated on the issues involved. Judy Feldman concurred that the auditor should be available to the committee as a whole at the next meeting. The Executive Director stated that the auditor would be invited to the next meeting. He also wanted to clarify what is entailed in the Management Letter. He explained that the management letter provides recommendations to assist the management of the CRA. They were drafted by the auditors and the CRA's management responded. The auditors accepted the responses, which for the most part followed the recommendations and had the support of the City's Finance Director. The only exceptions were a couple of factual errors and a disagreement on requiring the payroll system to create a report that is considered unnecessary for an agency this size. As stated

earlier, the auditors found the CRA in compliance with no material problems. The report has been accepted by the Committee and the CRA Board.

#### APPROVAL OF MINUTES AND DISCUSSION ON ABSENCES

As there was no quorum at the beginning of the meeting, the minutes were approved unanimously at this point. Chair Reynolds requested that the CRA staff improve the way absences are reflected in the meeting minutes so that the information would be more useful. Ms. Feldman asked if a committee member is automatically removed if they miss 3 or more consecutive meetings or 4 meetings in total, and what the timeframe would be. The CRA Attorney stated that he would return to this issue later in the meeting after reviewing the bylaws. (See last item)

#### **Item IV - Status updates regarding the implementation of the CRA Board-approved Affordable Housing Strategies for the distribution of the CRA's FY 2006-07 funding allocations.**

The Executive Director briefly reviewed the Affordable Housing Strategies that had been approved by the CRAAC and CRA Board as the result of extensive discussions during the months of January and February and described the progress to date – a summary matrix was included in the agenda package. He stated that the open registration period for the CRA funded affordable housing programs is currently under way. He said that until now there have been various meetings and various lists that people have signed up for but those were only informational. The process now underway provides the first and only formal mechanism that the CRA has established to take in applications, analyze the information, and qualify applicants. Today, April 9, was the “Kickoff” event and the Housing Partnership for North Miami (HPNM), that will continue to take the applications for 30 days, until May 8, 2007. He added that in preparation for this launch, CRA staff has been meeting with the partners of the HPNM to plan for the outreach efforts and implementation strategies. He asked Committee members to examine the HPNM Action Plan that was enclosed in the agenda packet which outlines many of these efforts. Also in the packet is the Homebuyers Guide booklet and flyers in English, Spanish, and Creole to facilitate getting the word out to the various communities. The CRA has also sent a letter and flyers to each of those citizens that had previously called or visited the CRA and shown an interest in these programs and invited them to participate.

The Executive Director asked members to examine the application itself, and pointed out how the form allows applicants to select which programs they are interested in: Pioneer Gardens, first-time homebuyer assistance, single-family home rehabilitation or assistance for rental housing (applicants may select more than one). This and all the other information being captured by the application forms will be analyzed to evaluate what the needs in the community really are. The form, booklet and flyers each help explain the various requirements, such as income limits, residency requirements and repayment provisions. These forms must be completed and mailed or delivered in person to any of the 3 partners that comprise the HPNM, which offer extended hours for this purpose.

The Executive Director declared that this is a significant milestone for the CRA that begins the officially sanctioned and open process of determining who will be receiving affordable housing subsidies. He especially thanked the members of the HPNM for their outstanding work in mak-

ing this happen. He introduced Bennie Trinidad, Evelyn Bruce, and Dr. Joy Bruce from the NANAY Housing Resource Center. Mr. Trinidad spoke briefly and shared the Executive Director's enthusiasm and was pleased to report that on the first day of the registration period 31 citizens had registered. He added that the many outreach efforts would continue to bring in applicants, and that the partners are staying open until 7 pm each weekday and on Saturdays from noon to 5 pm to make it easier for working people to apply. Also, the HPNM has arranged for different churches to spread the word and take in applications every Sunday throughout the application period. The Executive Director said that the partners are "pulling out all the stops" in getting the word out to the community about the programs. This includes sending press releases to all major newspapers, playing radio advertisements on 3 Haitian radio stations in the morning and afternoon, providing radio interviews, distributing flyers to numerous churches and organizations, and paid advertisement in the Neighbors section of the Herald each Sunday. Armando Vidal asked if there were any ads being placed using Spanish radio and publications, and if the Homebuyer's Guide is being translated to Spanish. The Executive Director responded that HPNM has not promoted the programs on Spanish radio and that only the key parts of the Guide is translated into Spanish. Mr. Vidal asked the Director reach out more to the Hispanic community via radio and other media.

Mr. Monestime asked about how long the application period is and what is the targeted number of applicants. The Executive Director responded that the period is open until May 8 and that there is no specific target number of registrants they are trying to reach. He added that one of the key outcomes of the application period will be to provide empirical data to guide future CRA efforts. Chair Reynolds expressed his appreciation for all the work of the CRA and partners have done so far and he was joined by other members in thanking the Executive Director and HPNM.

Mr. Monestime asked about how much money is available for these programs, and the Executive Director noted that the programs and their budgets are outlined in the affordable housing strategy matrix, included in the materials for Item IV. He summarized that there is a total of \$1.3 million in the 2006-07 budget, with \$200,000 available for homebuyer subsidies (not including Pioneer Gardens), \$500,000 for developer incentives and \$602,950 available for single-family home rehabilitation. The Executive Director added that he is going to move as quickly as possible to implement the programs and expects 12-15 new homeowners by the end of this fiscal year.

Mr. Wolin asked the Executive Director how much money is available for subsidies at Pioneer gardens. The Executive Director responded that approximately \$6 million dollars are projected to be spent on homeowner subsidies from the proceeds of the \$10.7 million letter of credit.

Lastly, the Executive Director reviewed the efforts to give priority to those citizens which are on the City's single-family home rehabilitation waiting list. He noted that in the agenda packet there is a staff report that details efforts to go through the list and determine which applicants fit the criteria for possible inclusion in the CRA programs. From the original 203 applicants, CRA and City staff filtered out properties outside CRA Boundaries, non-homesteaded properties, and those that were sold. This brought the list down to 116 applicants and the CRA will be sending them a letter to determine if they are still interested and qualified for CRA assistance.

Ms. Feldman asked if the CRA will charge interest on their loans. The Executive Director explained that the interest rates will vary from 0% to 3%, depending on need. Per the Redevelopment Plan the goal is to keep housing expenses down to approximately 30% of that household's income. The CRA may even charge interest only or no payments at all for a certain period. This will be determined on a case-by-case basis once policies are established

#### OTHER DISCUSSION

Mr. Wolin brought up a point of procedure and asked the Chair that he would like to add an item to that meeting's agenda to be called "New Business" – this now became Item XIII.

#### **Item V - Report regarding the feasibility of televising the future meetings of the CRA Advisory Committee**

The Executive Director stated that at the January 23<sup>rd</sup> meeting of the CRA Board he was directed to review the feasibility of having CRAAC meetings televised. CRA and City staff discussed the logistics of having meetings either recorded or broadcast live at the Council Chambers. He reviewed the CRA staff report that concluded that it would cost approximately \$1,900 for the remainder of this fiscal year (May to September). He then asked for input from the CRAAC.

Ms. Feldman was not pleased that this significant imposition on the Committee and CRA staff was necessitated by the request of a single resident and she did not feel there was an overwhelming demand for it. Chair Reynolds agreed with Ms. Feldman that televising CRAAC meeting is unnecessary. Mr. Wolin countered that he strenuously approves televising the meetings as he felt there is a large constituency out there that simply does not have the time to attend the meetings in person. He added that televising the meetings will further enhance the CRA's efforts to be honest, open and transparent in all its deliberations. Mr. Monestime stated that in his time on the City Council, residents would often ask questions based on what they saw during a televised meeting. He added that it would make members more accountable for their actions.

#### MOTION

Made by Mr. Wolin, seconded by Mr. Vidal

**A motion was made to move CRAAC meetings to the City of North Miami Council chambers and have the meetings broadcast live on television.**

*Approved 5 to 2*

#### **Item VI - Status update regarding the Resolution of the CRA Board committing matching funds in the amount of \$500,000 to the Museum of Contemporary Art**

The Executive Director explained that this item involves the discussion on a resolution previously approved by the Committee and CRA Board to provide \$500,000 as a matching grant for the MOCA expansion. The background information is available in the packet. At that time, the CRA recognized the opportunity of MOCA's getting a matching grant from the Miami-Dade General Obligation Bond (GOB) process. However, MOCA was disqualified by the GOB Project Review Committee because museums were not considered consistent the intent of the request for proposals. The Executive Director therefore proposed that the CRAAC consider recommending to the CRA Board that the original resolution approving the grant be amended to allow MOCA to

use this money for its expansion without the matching grant requirement. It is important for the Committee to decide whether they feel that providing money to MOCA should be a priority in the 2007-08 CRA Budget as the budget process will begin shortly.

## DISCUSSION

Michael McDearmaid voiced his approval for the CRA's support of MOCA's expansion as he felt that the museum is one of the most valuable assets of the City of North Miami and a key part of the redevelopment of downtown North Miami.

The Executive Director then introduced the museum's Director, Bonnie Clearwater, which he invited to answer any questions the Committee may have. Responding to a question by the Chair, Ms. Clearwater explained that the reason MOCA was disqualified had nothing to do with the merits of the application but a change in the interpretation of what constitutes a "Community Grant." Because of this interpretation, no museum received the grants, which went to organizations such as the United Way. She added that MOCA does indeed have a strong community component and that part of the reason for the expansion is to accommodate these community programs. She highlighted a special partnership of the museum with Miami-Dade schools in North Miami, whereby all students would be given the opportunity to study art and creativity under some of the top teachers in the country.

She also explained that the \$500,000 commitment by the CRA will allow MOCA to go after other grants which typically have a matching component. A new assistant director has been hired by MOCA specifically to identify and apply for such grants.

Mr. McDearmaid agreed saying that from his experience it is very important that MOCA be able to show that it has community support in the form of a matching grant. Ms. Feldman wanted to show her support for this grant specifically because of the cultural education MOCA provides the students of North Miami. She referred to the statistics that show the low levels of education in the City and suggested that this kind of cultural involvement by an at-risk population can serve as a bridge to lift children up. Mr. McDearmaid added that it has been proven that creative programs stimulate minds and bring up student test scores.

Ms. Clearwater gave an example to support this position. She explained how a Haitian student that had attended one of MOCA's educational programs was selected as an in-house artist for its promotional efforts, and other students have gone on to University and have been published. She added that these programs are not *going to happen* – they are happening right now and just need the opportunity to expand.

Mr. Vidal expressed his concern of providing a matching grant when he hasn't seen what it's supposed to be matching. Would this money be used up by architects and engineers before it could even be used as a matching grant? Ms. Clearwater explained that the money is needed to continue the momentum and that without this allocation in next year's budget, progress would come to a halt. And in terms of showing community and local government support, it doesn't matter if the money is spent or not, she just needs to show the resolution that commits to the grant.

Mr. Monestime expressed his strong support for MOCA but feels that the CRA's commitment of \$500,000 is backwards as he hasn't seen the grant this is supposed to be matching. He also felt that the amount may be too high and that the committee should consider allocating a smaller amount. Mr. Vidal stated that the \$500,000 commitment already exists and that all the Committee is being asked to do is change a requirement.

**MOTION**

Made by Mr. McDearmaid, seconded by Ms. Cobo

**A motion to recommend that the \$500,000 commitment in the 2006-07 Fiscal Year to the Museum of Contemporary Art (MOCA) be maintained but would no longer be contingent on the matching grant from Miami-Dade County.**

*Approved 6 to 1*

**Item VII - Status update on the Pioneer Gardens affordable/workforce housing development relative to: (1) Market Demand Analysis for the sale of the proposed housing units; and (2) Comparative analysis of the use of traditional construction methods versus the use of a manufactured/modular housing product.**

The Executive Director stated that during the discussions on the pre-development budget for Pioneer Gardens at North Miami, the CRAAC and CRA Board directed CRA Staff to determine if there is enough demand for the townhomes at Pioneer Gardens at the price levels proposed. Through a request for proposals process, Miami Economic Associates, Inc. (MEA) was selected to conduct the Market Demand Analysis. He then highlighted some of the key findings in the report that was included in the agenda packet. On page 6 of the report, it states that MEA finds that there is sufficient demand for the Pioneer Gardens units at the 50% assisted-50% non-assisted housing structure. The assisted units will be able to achieve the proposed \$222,200 price and the non-assisted units can demand between \$260,000 and \$290,000. Full absorption is expected in 3 to 4 months for the assisted units, and 6 to 9 months for the non-assisted ones. He then introduced Andrew Dolkart, President of MEA.

Mr. Dolkart began his remarks by explaining how his firm approached the analysis. The Pioneer Gardens project is bifurcated into the assisted and non-assisted units and as it is clear that there will be a demand for assisted units, the analysis focused on the marketability of the 68 non-assisted units. First he asked Committee members to consider the somewhat dismal income statistics for the City and then to broaden the context to all of Miami-Dade County. He explained that there are almost no greenfields available for development in the County and therefore most of the new housing will be infill development. He continued that there are few units being built and that they tend to be expensive and located in the south and southwest parts of the County. However, his analysis shows that most of the employment centers are in the northern part of County greatly increasing the demand for units such as those at Pioneer Gardens and future developments the CRA may consider. Also, the location of Pioneer Gardens with easy access to I-95 provides lower drive times to places in the eastern part of the County. He added that there are few comparables and that the establishment of the CRA itself brings a high confidence that the City will have the means to improve over the next few decades, bringing incomes higher and improving the standard of living of residents.

Mr. Wolin asked Mr. Dolkart if he can give other examples of housing developments that had a split between assisted and non-assisted units and he responded that he didn't know of any in Miami-Dade, but stated that there are many successful mixed income projects in other parts of the country. Mr. Wolin then asked if Mr. Dolkart had reviewed the actual development plan and site plan for Pioneer Gardens. Mr. Dolkart responded that he was given floor plans, elevations and all the necessary documentation. Mr. Wolin then asked if it would be better to offer two separate projects rather than one project with both types of units. Mr. Dolkart responded that he did not think that was a good idea to split the project. He explained that he has worked for many years in the area to promote regulations that support mixed income communities such as this one. Other options to promote affordable housing include inclusionary zoning such as Montgomery County, Maryland, Fairfax County, Virginia or throughout New Jersey.

Mr. Wolin then asked Mr. Dolkart about his credentials and the economic data used. Mr. Dolkart stated that he attended Harvard University for undergraduate and graduate studies. Following three years in the Navy, he has been a real estate consultant for the past 30 years. He has worked for three national firms and created his own firm in 1995. His clients have included some of the largest developers in the country including Lennar Homes and Rouse Corporation. He stated that the economic data was provided by Claritas, a company that provides customized demographic information. Mr. Wolin then asked about compensation for the study, and Mr. Dolkart said that he charged the CRA \$6,500, a discounted rate for this work.

Ms. Feldman told Mr. Dolkart that the demographic data he presented is very similar to the information another organization has gathered, and that both show difficult economic circumstances for the residents of North Miami. She added that educational data, which was not presented in the Market Analysis, paints an even more dismal picture. She then expressed her concern that the gentrification of the City center will bring property values up making it even more difficult for the low income residents of the City to find adequate affordable housing. Mr. Dolkart said that there are only a few things that can offset this, and the CRA and City of North Miami are already doing this by increasing density in the redevelopment plan and comprehensive development master plan. Another advantage for North Miami is that as property values increase, CRA funding increases providing more money for its affordable housing programs. He is also a believer in inclusionary zoning but knows that you will not be able to build our way out of the problem, no matter how many homes organizations like Habitat for Humanity builds.

William Wallace IV, a member of the audience, wanted to make those present aware that the Executive Director and Mayor Burns have worked hard to get Miami-Dade County to raise the ceiling of \$225,000 on the price of a home that is eligible to receive the County's surtax money. He is pleased to report that the Commission is expected to increase the cap to \$326,000. He said this would be a very important development in the success of Pioneer Gardens as it would mean that all the units would be eligible for the County funds.

Mr. Monestime continued the discussion by saying that he is familiar with the Montgomery County programs but feels that to minimize the impact of gentrification one should employ inclusionary zoning. He then asked about the effect on the appraised values of homes that have been subsidized and are in the same project as non-assisted units. Mr. Dolkart posited that the property appraiser's office as well as private appraisers should take into consideration covenant

that comes with the assisted properties. As this would limit the price increase for those units, this should be reflected in the appraised value. The Chair thanked Mr. Dolkart for his presentation.

Before moving to the second part of this item, Mr. Wolin asked the Executive Director why NMH, the developer, was not responsible for the market analysis. The Executive Director explained that per the terms of the development agreement, the CRA is responsible for the analysis as well as the marketing of the units. Mr. Wolin then suggested that this is backwards – the market analysis should be done before the CRA entered into a development agreement. Chair Reynolds explained to Mr. Wolin that this has been discussed thoroughly at previous CRAAC meetings and that he could review the minutes from those meetings. Lastly Mr. Wolin asked to see the siteplan and floorplans for Pioneer Gardens, and the Executive Director stated those are available on the website.

### **Item VII – Part 2**

The second part of this item is the Comparative Analysis of Traditional Construction versus Manufactured Housing for the Pioneer Gardens development, which was distributed at the meeting. This comparison was requested at the March CRAAC meeting after comments from members of the Committee that visited the modular housing project in Fort Pierce. The Executive Director referred to the analysis and explained that a direct comparison would be difficult as the proposal given by Keiko Investments was for 82 townhomes rather than the townhome over townhome configuration of the current development plan that allows for 136 townhomes. In order to compare “apples to apples,” the Executive Director directed NMH to provide analyses that would compare 82 units of traditional construction vs. 82 units of modular housing and another version that would compare 136 units of each. Ms. Feldman asked why NMH is analyzing a four-story option for the modular housing when that is not approved in South Florida. The Executive Director explained that the technology exists to build four story modular housing but Keiko Investments does not offer it at this time.

There are two sets of matrices provided – the first one is a process analysis that seeks to determine how changing to the new technology would affect the timeline for completion of the project. The 136 unit comparison indicates that the net effect would be a 8.5 months of delay in construction by changing to the new technology. The 82 unit comparison indicates that making such a drastic change to the current designs would bring the process back to square one. This would cause a delay of an estimated 27 months over the existing traditional construction plan as the development would need to be re-platted and go through the entire development approval process again. Going with the alternative technology would add slightly less, or 22 months to the development process as it can be built more quickly once all approvals are in hand.

At this point Mr. Stan Saltzman of Keiko Investments requested to make some comments. He stated that NMH had requested a proposal from him and he provided it to them but he had not seen the comparison document until just a few minutes before the meeting. He would like to respond to issues raised by the NMH analysis but would need more time and therefore requests that discussion be postponed on this item. The Executive Director appreciated the input but said that it would be up to the Committee, after he finished the summary, to decide what to do.

The Executive Director continued. The second analysis considered cost rather than process. The Executive Director referred to the matrix that summarizes the 136 unit comparison and shows that the traditional development would lead to a cost of approximately \$259,000, compared to a cost of \$299,000 for the modular units. On the 82 unit comparison the estimated costs are \$270,000 for traditional construction vs. \$284,000 for the modular technology.

The Executive Director made a few final points he wanted the Committee to take into account as they consider these options.

- Modular housing is not well-known in South Florida and may therefore not be in high demand by potential homebuyers.
- It may be more difficult to find lenders for the construction loan to build the units as this technology is not well established.
- Similarly, there may be issues in finding sufficient lenders to provide the end loans for the final purchase of the units by homebuyers.
- There would be significant structural re-engineering that would have to be undertaken, especially if we consider the four story option for modular housing.
- On the affordability issue, it is important to understand that as the County is expected to raise the ceiling on homes that can receive subsidy, opening a key source of subsidy to all units at Pioneer Gardens.
- There may be a bias towards traditional construction for the organizations that provide the other homebuyer subsidies

## DISCUSSION

Mr. Vidal asked the Executive Director how Keiko Investments was chosen for the modular housing construction. The Executive Director explained that Keiko has not selected for any project but rather they were simply requested to provide some information so that the Committee could make some preliminary assessments about the potential use of this new technology. The CRA Attorney added that if the Committee and CRA Board decide to go with the new technology, the CRA would have to set up some kind of competitive process to select a manufacturer. If necessary, he would provide a legal analysis of the process that would have to be undertaken. Ms. Feldman explained to Mr. Vidal that the reason NMH was requested to make this comparison is because several Committee members were excited about this new technology after visiting the Fort Pierce development.

Ms. Feldman expressed her disappointed with the numbers but Chair Reynolds questioned the small cost differential between the two types of construction. He asked Mr. Saltzman to come back at a future meeting to have an opportunity to respond. Mr. Wolin agreed with the Chair and would like the Committee to continue the discussion on alternative types of construction. He added that the current analysis was done by a group that has a particular point of view and would like to give Mr. Saltzman, who also has a particular point of view, the opportunity to respond.

William Wallace IV introduced himself to the Committee and made some comments. He explained that the numbers used in the analysis came from Mr. Saltzman and that NMH did not change them to suit their needs. He also expressed his concern for anything that could delay the project which is making significant headway. Biscayne Landing will be bringing 400 units on

line and if Pioneer Gardens is not pursued aggressively, the CRA would find itself far behind in its goal of providing one affordable housing unit for each built at Biscayne Landing.

Ms. Cobo said that even if this type of construction cannot go to four stories, it can still be considered for future projects. She did not feel it made sense to start the process all over for the Pioneer Gardens project. The Executive Director added that Mr. Saltzman is welcome to come back with more refined numbers for the comparison. However, the purpose of the analysis was not to determine exactly what the cost would be of each type of construction but whether or not the alternative process was *significantly* less expensive than traditional. This analysis shows that it would not be significantly cheaper and it would delay the process considerably. Mr. Monestime said he just wants to see affordable housing being built without any more delay.

Mayor Burns then addressed the Committee. He said that all those who went on the field trips to Mr. Saltzman's project in Fort Pierce were impressed with the product. He therefore asked Mr. Saltzman to try and determine how many two story townhomes would fit the Pioneer Gardens parcel and to give a cost estimate. He said the CRA is committed to moving forward with the current plans for Pioneer Gardens but it should make every effort to keep this as an option for any future opportunities. He added that there are existing modular units in North Miami that are very livable and have stood the test of time.

Mr. Monestime asked about how NMH goes about selecting builders for Pioneer Gardens. The CRA Attorney responded that per the development agreement NMH is required to competitively bid the contractor or to bid out the work of the four major trades - plumbing, HVAC, electric and structural. However, if the CRA wants NMH to pursue a new technology he would have to determine the legal procedure in selecting a housing provider, whether it's for a single-family home or larger development.

### **Item VIII - Proposed Lease/Purchase Agreement for the CRA to acquire the Miami Way Theater and related properties**

After favorable discussions on this subject with the CRAAC and direction from the CRA Board, the Executive Director negotiated the terms of the agreement in various meetings with the owners of the Miami Way Theater and adjacent properties in February and March of this year. The memo contains a summary table that outlines the proposed terms of the contract for the lease/purchase of the properties that is acceptable to both parties. The lease term is for six years, and the purchase option can be exercised on the fourth year with another option in the fifth year. In the sixth year there will be a mandatory purchase by the CRA pursuant to an appraisal. The agreement also contains the lease terms that will give the CRA control over the property during the lease period. The property owners have agreed to use their resources to secure financing necessary for improvements to the property.

The Executive Director referred to page one of his memo that explains that by State law the CRA is limited to paying up to 10% over fair market value as determined by an appraisal. The CRA no longer has the power to take over the property by eminent domain and therefore needs to have a willing seller. These terms are offered to the CRAAC for their consideration and the Executive Director would like to have the agreement recommended to the CRA Board.

## DISCUSSION

Mr. Wolin opened the discussion by asking the Executive Director if he had done a market study on how the properties should be redeveloped. The Executive Director stated that a market study has not been done but there many possibilities for the properties. He suggested that if the CRA is able to acquire the entire block, one could foresee a significant mixed use development on the land after going through an RFP process. In the meantime by using financing obtained by the owners, the CRA can consider rehabilitating the theater and restaurant as meeting space or cultural facilities for the City. Mr. Wolin stated that he had many times in the past recommended the City acquire the property but later determined that it is not economically feasible to rehabilitate the property and bring it up to code. He was concerned that this is still the case.

Chair Reynolds believed that with the lease/purchase of the properties, the CRA would be “banking” it for future opportunities and should not spend considerable sums on an interim use. Mr. McDermid asked Committee members to consider the highly visible location which will be adjoining all the other developments planned for this part of Dixie Highway which is one of the entrances to the City. He believes that this is an asset that needs to be in the hands of the CRA. The Chair added that if the CRA doesn’t act now, the opportunity will be gone.

Mr. Wolin asked about the purchase price in six years and asked if the Executive Director had any concerns about this. The Executive Director responded that the acquisition of the Miami Way properties is a policy decision by the CRA that it believes it has some value in preserving the property. The price will be reasonable and will be based on the fair market value at the time of the purchase, and he believed the risk was being taken by the seller who would have to sell the property at that price even if it is less than what they think it’s worth.

Ms. Feldman concluded that while the cost is high this is a piece of property, the CRA needs to have so it should be pursued. Mr. McDermid said that this is the kind of property that can get true community support, much like the Lyric Theater in Overtown.

Mr. Monestime asked that if this is a lease/option it must mean that the seller is not willing to sell it for the current price. So, he is wondering what is the rush? Should the CRA purchase every property that comes on the market?

The Mayor then addressed the Committee and said that he has had various investors come to his office and ask what could they build on that property. The answer is a four story building, perhaps offices. Is that what the CRA wants? He posited that this is a historic building that should be saved and the restaurant next door could be used for various purposes. He knows of several groups who are constantly looking for a theater that is not too big or expensive and this could fill that need. So, he asked members to make a decision to acquire the property but not to leave it as is for the term of the lease. He feels that it needs to be renovated and made an asset for the community. He added that for some reason appraisals have not caught up with the market reality and properties are selling for a lot more than the appraised value. He expects the appraisals to catch up to the market in the next few years.

MOTION

By Mr. McDearmaid, seconded by Ms. Feldman

**A motion was made endorsing the Executive Director's proposed terms for the lease/purchase of the Miami Way Theater.**

*(Approved 7 to 0)*

After the vote had been taken, Mr. Jack Yoches, part of the group that owns the Miami Way theater properties addressed the Committee. He stated that the owner of LaBaguette (a property on the same block as the Theater) is interested in selling her property, and had called him recently to tell him that someone is trying to buy all the properties on the block. He is concerned that someone is going to purchase the property who wants to interfere with what the community would like to see done. The owners of LaBaguette had held a meeting with him that day and offered to sell it to him for \$1.5 million, approximately double its appraised value. Mr. Yoches stated that if the CRA goes through with the agreement, he would purchase the LaBaguette and incorporate it into the lease. He also explained that the lease/purchase did not arise from his desires but because the CRA does not currently have the money to purchase the property at this time. He says he purchased the property on speculation because he believes the City of North Miami is really going to take off. Responding to a question from Clark Reynolds, Mr. Yoches said that he is very interested in purchasing the tire store that abuts the Theater and is actively looking for an alternative location for the tire store to help make it happen.

Chair Reynolds would like to give the Executive Director direction to pursue the possible purchase of the LaBaguette Restaurant and Mr. McDearmaid suggested a motion. The Executive Director stated that at this time it is premature to pursue this as Mr. Yoches has not even purchased the restaurant. But he said he has heard the discussion and will follow up accordingly.

**Item IX - Proposed Lease/Purchase Agreement for the CRA to acquire the Bel House Apartments for rehabilitation and preservation as affordable rental housing**

The Executive Director said that this agreement is similar to the lease/purchase agreement negotiated for the Miami Way Theater. Although he has heard the term "unique opportunity" used many times, he felt that this certainly falls in that category. This purchase would allow the CRA to preserve 65 affordable rental units. He believes it is critical to maintain this option for residents of the City as well as to provide temporary relocation apartments as the CRA begins its rehabilitation program. Like the Miami Way Theater, this agreement resulted from negotiations based on the direction of the CRAAC and CRA Board for the Executive Director to pursue the acquisition of the apartment complex. The complex is comprised of 65 units, with 45 on the east side of 6<sup>th</sup> Avenue and 20 on the west side.

He continued that there are special circumstances that make this opportunity unique. First, the City has already invested \$550,000 towards the rehabilitation of the property. Due to problems with the roof, the 45 unit building has already been vacated at the expense of the current owners. As the building is vacant, the CRA will not have to move relocate tenants as it rehabilitates the units. The terms are similar in nature to the terms of the Miami Way Theater and are summarized in the table in the memo.

## DISCUSSION

Ms. Feldman asked how much it would cost to bring the building up to code. She feels that this estimate is needed before committing to the purchase. The Executive Director stated that the units did not require extensive work as it was already under way and he believes it should cost less than \$1 million to do the work but no formal estimate has been made. Mr. Monestime asked why the CRA has selected this complex and not one of the others available in the City in light of the fact that it's owned by the same group that owns the Miami Way Theater. The Executive Director responded that the fact that it is vacant makes it a unique opportunity. Mr. Monestime said that he would like to defer deciding on this purchase until the Executive Director has looked into other opportunities. He then asked about the money the City has already invested in the property, and the Executive Director explained that of the \$550,000, \$500,000 was to be used to reduce the debt and \$50,000 for repairs.

Mr. Wolin asked what the long-term plans are for the property and the Executive Director said that it would be rehabilitated and operated as rental housing. He did not think it would be converted to condominiums. Asked about the rehabilitation, the Executive Director explained that NMH would be doing the work after negotiating an agreement with them for the improvements. Mr. Wolin also asked whether or not the units would be subsidized and the Executive Director said that would be a possibility, either using existing programs or by creating a CRA program to help with the rent, to keep it affordable to various income levels.

Mr. McDearmaid reminded Committee members that they have previously discussed this very issue, that there is a need for the CRA to have units available to stay while the units they live in are being rehabilitated. He said that Inez Couch was forceful in supporting the availability of rental housing as a type of "safety net" for residents. They may later become purchasers of new units when they are ready. Ms. Feldman agreed that there is a need for rental apartments but is still concerned that the price may end up being too high.

Mr. Monestime stated that if the CRA is willing to provide money to residents to purchase real estate, why should it also provide rental housing. He feels the market will take care of that need. And before offering rental assistance the CRA should stick to its plan of subsidizing owners.

Mayor Burns weighed in on the issue by telling members that he and the Executive Director held a very well attended workshop for apartment owners in September of last year. They asked them what did they want from the City. The apartment owners said they didn't need help up front and many were going to convert their apartments to condominium and take rentals off the market. He went on to describe what had happened previously with the Bel House apartments and reiterated that it is very expensive to move people out of units as they are being rehabilitated and that therefore, the Bel House apartments are a great opportunity. The Mayor also pointed out that the owners will provide a \$15,000 credit towards the purchase price for each unit that is fully rehabilitated.

Mr. Wallace IV addressed the Committee to once again express the urgency he feels for the CRA to start producing affordable housing as units at Biscayne Landing come on line. He feels there will be political fallout from the western part of the City if the CRA does not live up to its commitment to deliver one affordable unit for each built at Biscayne Landing. Responding to a ques-

tion by Chair Reynolds, Mr. Wallace IV said that he expects temporary certificates of occupancy (TCO) to be issued this year for the 149 units in Tower 1 and 224 units in Tower 2, as well as 16 townhomes.

Mr. McDearmaid wanted to make a motion because he thinks that the time is right, it's an opportunity to purchase a vacant building, and the CRA is buying it from someone they can work with.

**MOTION**

By Mr. McDearmaid, seconded by Ms. Cobo

**A motion was made endorsing the Executive Director's proposed terms for the lease/purchase of the Bel House Apartments.**

*(Approved 4 to 3)*

**Item X - FY 2006-07 Budget to Actual Financial Status Report as of March 31, 2007**

Discussion on this item was postponed as there was not sufficient time for the CRAAC to review the report.

**XI - Status update regarding the CRA-funded Commercial Corridor Improvement Program**

The Executive Director updated Committee members on the progress of the Commercial Corridor Improvement Program (CCIP). He said that he had just been informed that the third position on the "Clean Team" has been filled. In order to make the pressure cleaning of the sidewalks in downtown more efficient, the CRA has purchased a commercial grade pressure washing system that should go online in a week. Also, bollards are on order and should arrive shortly. They will be installed in the upcoming weeks to ensure that vehicles do not enter plaza in front of Starbucks. The Griffing Park fountain is operational and he said the new contractor should begin work in the following week to complete the work already started there. Pertaining to the fountain on 6<sup>th</sup> Avenue and Dixie Highway, the pump has been installed and should be operational by the end of the week. Lastly, the CRA funded code enforcement officer that will enhance code enforcement along the commercial corridors should be on board by the end of the month.

**Item XII - Discussion of a request from the Greater North Miami Chamber of Commerce for the CRA's participation in the 13th Annual Golf Tournament on May 4, 2007**

The Executive Director stated the Level I sponsorship of the Chamber's golf tournament costs \$600. Ms. Feldman asked how does this fit with the CRA's mission and Ms. Cobo responded that it shows community participation and provides scholarships for the City's students.

**MOTION**

By Ms. Feldman, seconded by Mr. Vidal

**A motion was made to support the Greater North Miami Chamber of Commerce Annual Golf Tournament as a Level I sponsor for \$600**

*(Approved 7 to 0)*

**Item XIII – New Business**

Mark Wolin said that while he has no new business at this time, he would like to always include new/old business in future CRAAC meeting agendas.

MOTION

By Mr. Wolin, seconded by Ms. Feldman

**A motion was made to amend the CRAAC agenda to include an item at the end of agenda to allow members to bring up new or old business**

*(Approved 7 to 0)*

The CRA Attorney gave a brief report on the question of absences from CRAAC meeting. He stated that any 3 consecutive absences would result in an automatic resignation by that member. However, if the CRAAC feels there are extenuating circumstances, they can recommend the reinstatement of that member to the CRA Board.

MOTION

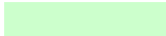
Made by Mr. McDearmaid, seconded by Mr. Monestime

**A motion was made to recommend that the CRA Board reinstate Bill Valentine as a member of the Committee**

*Approved 7 to 0*

Meeting adjourned at 9:15 p.m.

		Blanca Cobo	Inez Couch	Judy Feldman	Smith Joseph	Guy Laurenceau	Michael McDearmaid	Jean Monestime	Clark Reynolds	Duke Sorey	Bill Valentine	Armando Vidal	Mark Wolin
<b>TOTAL ABSENCES</b>		<b>2</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>
10/5/2006	No quorum	A	P	A	P		A	P	P	P	A		
10/9/2006	from 10/5	P	P	P	A		P	A	P	A	P		
11/2/2006		A	A	P	A		P	P	P	P	A		
11/13/2006	Special	P	A	P	A		P	P	P	P	A		
12/7/2006		A	A	P	P		P	P	P	P	A		
1/4/2007		P	P	P	P		P	P	P	P	A		
2/5/2007	No quorum	A	P	P	A		P	A	A	A	A	P	
2/12/2007	from 2/5	P	P	P	A		P	A	P	A	A	P	
3/5/2007		P	P	P	P	P	P	A	P	P	A	P	P
4/9/2007	from 4/2	P	A	P	A	A	P	P	P	A	A	P	P

 Absences do not count towards total