

Community Redevelopment Area Advisory Board Meeting Minutes

Thursday, April 4th, 2019

3:00 – 5:00 PM

City Commission Conference Room, City Hall

Attendance

Board Members: Ben Mundy (Chair), Pastor Edward Lake (Vice-Chair), Zelda Abram, Dean Boring, Harry Bryant, Brandon Eady, Brian Goding, Frank Lansford, Commissioner Stephanie Madden and Cliff Wiley

Absent: Cory Petcoff

Staff: Alis Drumgo, Valerie Ferrell, D'Ariel Reed, and Jonathan Rodriguez

Guests: Jon Bucklew, Sarah Bucklew, Equilla Cherry, Wendy ConDurbin, Matthew Clark (Broadway Realty), Richard Elyo, Carmen Ferrer, Barry Friedman (LkldNow), Stephanie Gavric, Annie Gibson (Housing), William Likely (Nuera), Jim Lobinsky, Teresa Maio (Planning), Grant Miller, John Milone, Gerald Poleon, Commissioner Bill Read, Brenda Reddout (Talbot House), Brian Rewis (Assistant Director Community & Economic Development), Sol Shalmy, Mike Smith (Housing), Officer Rick Taylor (LPD) and Julie Townsend (LDDA)

Packets

- Meeting Minutes dated March 7, 2019
- Financial Update
- Project Progression Report
- Memo- The Joinery Funding Request
- Memo- 912 & 920 N. Vermont Ave.
- Memo- Residential Incentives Transition

Housekeeping

Action Items – Old Business

Meeting Minutes dated March 7, 2019

Dean Boring moved approval of the minutes. Eddie Lake seconded the motion which passed unanimously.

Financial Update

Ben Mundy noted the inclusion of the update for informational purposes.

Action Items – New Business

FY 2017 Financial Statement

Ben Mundy reported that there were no findings in the 2018 Fiscal Year audit.

The Joinery Funding Request

In April 2018, the CRA led an exploratory trip to Armature Work in Tampa to preview the elements of a high performing public space. While energy was high and attendees were optimistic, during a June recap discussion, the Board opted to divert from initial thoughts to utilize 717 N. Florida Ave. and 111 E. Parker St. due to concerns regarding renovation costs and potential gentrification of the adjacent community. However, during the meeting, the Board was presented an opportunity to test the food hall concept at the old Lakeland Brewing

Company. Commissioner Madden moved to approve the contribution to the buildout at a not to exceed of \$250,000 which carried unanimously.

Since June, Jon and Sarah Bucklew have secured a long-term ground lease and embarked upon renovations. Thus far, the total work has included: roof replacement, demo, painting, legal fees, branding and lease deposits. To date, the CRA has disbursed about \$180k of the allocated grant. Now dubbed, “The Joinery”, the entrepreneurs have building permit in hand and have realized a significant budget increase from the initial estimates ranging between \$670k-\$930k. The total project cost ballooned to about \$1.46 million. Subsequently, the operators met with Staff in February and early March to discuss project progress, and Staff recommended value-engineering of some components to reduce costs.

After some material adjustments, the costs were estimated at about \$1.31 million, so the Bucklews added an equity investor. However, the project is still short approximately \$175k which was requested of the Board.

Jon and Sarah Bucklew gave a brief presentation. Discussion ensued.

Brandon Eady moved to deny the request for additional funding. Harry Bryant seconded the motion which passed unanimously. Frank Lansford recused himself as his company is working on the project.

912 & 920 N. Vermont Ave.

In March 2018, the City acquired 834 N. Vermont Ave. (one single-family residence), 836 N. Vermont Ave. (vacant single family lot), 905 N. Vermont Ave. (four single-family residences), 912 and 920 N. Vermont Ave. (sixteen multi-family units). The properties were all under the ownership of one individual that had been identified as a troubled owner and repeat code enforcement violator. Issues of illegal dumping, criminal activity and homeless camping were pervasive on the property. In July 2018, the City deeded the properties to the CRA, and the CRA acted to mitigate the blight. The properties have been cleaned-up and boarded and are regularly monitored for trespassing with monthly carrying costs of \$1,725. The properties currently have an assessed value of just over \$160,000.

During discussions at one of the Mayor’s Homelessness Steering Committee meetings, Dr. Reddout (Talbot House) expressed potential interest in the acquisition of some of the properties. Particularly, she mentioned the desire to convert 912 and 920 N. Vermont Ave. into sixteen affordable units with the intent to lease them as workforce and disabled housing. She added that Talbot House operates ten units of permanent supportive housing and twenty transitional units, but the length of stay is roughly four years due to shortage in affordable stock. Dr. Reddout sees the opportunity to provide wraparound services to clients while offering rents in the \$250-\$600 range. Dr. Reddout’s Board of Directors has reviewed and approved the pursuit of the project. She seeks the CRA’s donation of the property so she may seek funding from the following sources to complete the project:

Funding Structure	
Affordable Home Loan Bank	\$400,000
BB&T Bank	\$50,000
SHP Funds	\$50,000
Donations	\$100,000
City of Lakeland/CRA	\$50,000
Total Project Budget	\$650,000

Should the Board support the donation of the property and a \$50,000 funding commitment, Staff would need to issue disposition of the property per statute and solicit other offers. Subsequently, the transaction would need to be approved by City Commission. Dr. Reddout expects the first tenant to move-in November 2020.

Dr. Reddout gave a brief presentation. Discussion ensued.

Eddie Lake moved approval of the donation of the properties and the \$50,000 contribution. Cliff Wiley seconded the motion which passed unanimously.

After further discussion, Brandon Eady amended the motion to move forward with the project and receive proposals through the disposition process contingent upon adequate financing as presented by November 2019. Eddie Lake seconded the motion which passed unanimously.

Residential Incentives Transition

In February 2016, the LCRA Advisory Board voted to approve the Fix-It Up Grant. The intent was to improve the neighborhoods by assisting existing homesteaders with essential exterior repairs and enhancements to their properties to improve the safety, value and aesthetics. In January 2018, Fix-It Up was modified to include a Level II to allow for a greater impact on the health and safety of residents by also accommodating interior renovations at a higher funding amount. In total, the CRA has improved fifty-three (53) houses with the Fix-It Up Program.

In April 2016, the Homeowner's Down Payment Assistance Grant was approved to stabilize the neighborhoods within the Midtown district by encouraging new homesteaders to purchase their new homes within the district.

In April 2018, the Homeowner's Down Payment Assistance Grant was modified to apply a maximum grant amount to better reflect affordability in the district and increase the overall budget to provide up to fifteen (15) grants per fiscal year. Since approval, the CRA has provided assistance to fifty-six (56) homestead buyers.

In July 2018, the Builder's Line of Credit Program was approved to provide an alternative financial resource for the construction of quality new homes on infill lots. The program is only offered to builders with a prequalified, contracted buyer. The CRA provides a maximum credit up to \$150,000, and the line of credit must be settled upon closing of the home.

The CRA has invested a total of \$1,071,618.88 towards stabilizing the Midtown neighborhoods through the Fix-It Up and Homeowner's Down Payment Assistance Grants alone. Due to the success and affordability relative to the other parts of the City, the demand for housing in Midtown has increased. In addition to demand, the real estate values in the district have risen 20%.

Staff recommended transitioning the administration of CRA residential grants to the Housing Office in order to continue with our goals of providing affordable housing and stabilizing neighborhoods. Staff also recommends decreasing the Down Payment Assistance annual budget from \$450,000 to \$250,000 to support the administration of twenty (20) grants at a lower funding level. The CRA will then allocate \$250,000 annually to a revolving loan fund dedicated to the recruitment of large scale affordable housing projects in CRA districts with Housing Trust Group (HTG) being the first recipient of the dedicated funding in fiscal year 2022. With the shift in administration, the following will also be applicable:

- Down payment assistance to provide funding for applicants up to 120% AMI
- All recipients will attend Keystone Homeownership Course
- Grant amounts will align with Housing's disbursement practices
- CRA will forego the purchase option and adopt 10-year lien (repayment of 100% in years 1-5 and 50% in years 6-10)

Staff did not recommend any changes to the Fix-It Up program at this time; however, its administration will be transitioned to the Housing Office as well at the following funding amounts:

- Fix-It Up: \$200K (Midtown Target Areas) & \$100K (Garden District)
- Midtown: Maximum of two (2) Level II projects a year

There is one active project under the new Builder's Line of Credit Program and the estimated completion date is May 28, 2019. At time of closing, the builder will repay the grant funds. With the shift in philosophy, it is recommended Builder's Line of Credit no longer be offered as the need to bundle lots in tandem with the City's, to entice an affordable builder, will take precedent and expedite the infill process.

Annie Gibson briefly detailed Housing's processes. Discussion ensued.

Brian Goding moved approval of Staff's recommendation. Frank Lansford seconded the motion which passed unanimously.

Discussion Items

Alis provided an update on the Mirrorton project. The developer agreement has been revised from 306 units to 305. With the delay of the federal government shutdown, closing has been delayed approximately 60 days. Framework will ask for an extension through June 21st, 2019.

Ben reminded the Board to attend the Boards and Committees Annual Social as well as the South Florida Road Diet public meeting on April 9th, 2019.

Alis noted D'Ariel's promotion to Project Manager.

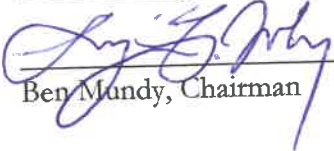
Ben Mundy noted the Annual Report is available online.

Brian Goding noted a public comment from the March meeting. He suggested Staff look into additional ways to market properties that become available for purchase. Alis mentioned that the Property Information division normally handles these notices; this is an ongoing process Staff is working to improve.

Valerie noted the Yard on Mass will announce a groundbreaking event before the end of the month.

Adjourned at 4:24 PM

Next Meeting, Thursday, May 2nd, 2019 3 PM, City Commission Conference Room.


Ben Mundy, Chairman

5/2/19
Date