

**Community Redevelopment Agency (CRA)
Meeting Minutes August 13, 2024
(APPROVED)**

8/13/2024 - Minutes

1. CALL TO ORDER & ROLL CALL

Board Members Present: Chair Robin Gibson, Keith Thompson, Mayor Jack Hilligoss, Daniel Williams, Carol Gillespie

Staff Present: James Slaton, Executive Director; Jennifer Nanek, City Clerk, Albert C. Galloway, Jr., City Attorney

Chair Robin Gibson called the meeting to order.

2. COMMENTS AND PETITIONS

Juanita Zwaryczuk, resident, read a statement from Catherine Price opposing all items on the agenda.

Howard Davies, resident, said CRA funds for CRA projects should go to local residents and businesses.

Susan Letteri, resident, spoke against the proposed Lake Alta project. This was voted down and she and other residents oppose this. She encouraged beautifying the park area and letting the owner build the 6 houses.

Alricky Smith, Lake Wales Charter Schools, asked the CRA to consider delaying the debt payments on the 1919 Charter Schools. This was discussed. James Slaton, Executive Director, said this can be a future agenda item.

Becky Wynkoop, resident, spoke against the proposed Lake Alta project. The number of proposed houses does not fit.

Charlene Bennett, resident, spoke against the proposed Lake Alta project. She asked for transparency on this project.

3. Minutes - July 9, 2024

Commissioner Williams made a motion to approve the minutes of July 9, 2024. Commissioner Thompson seconded the motion.

by voice vote:

ALL "YES"

Motion approved 5-0.

4. CRA Resolution 2024-20 To Adopt Updated Lake Wales Community Redevelopment Plan And Expansion Area.

[Begin Agenda Memo]

SYNOPSIS: The CRA will be presented with an updated Resolution to consider implementing the update to

the Lake Wales Community Redevelopment Plan, affirming the findings of the existence of blighted areas in the city and memorializing the expansion of the CRA boundaries.

RECOMMENDATION: Adopt CRA Resolution 2024-20

BACKGROUND The Finding of Necessity (FON) was adopted by the CRA January, 2023. Resolution 2024-03 was adopted in February 2024, to amend Lake Wales Community Redevelopment Plan; affirm the existence of blighted areas; and memorialize the expansion of the CRA.

City staff and consultants informally presented the Plan Amendment to the County Board of Commissioners (BOCC) at their board workshop on December 15, 2023. The BOCC then adopted a Resolution initiating the Conflict Resolution Procedure in accordance with Section 163.361(3)(b) indicating the county has competing policy goals and plans for public funds. Mediation was undertaken to no avail.

CRA Board directed city staff to continue the process to finalize the expansion of the CRA. It has been determined that Resolution 2024-03 contained language regarding BOCC approvals. It has been determined such approvals are not required. A new Resolution needs to be adopted to remove said language and supersede resolution 2024-03.

FISCAL IMPACT Not to adopt the resolution.

[End Agenda Memo]

Sara Irvine, Special Projects Administrator, reviewed this item.

Cliff Shepard, attorney from Shepard, Smith, Kohlmyer & Hand, shared his background, that he is an experienced municipal attorney. He outlined the complexities surrounding the expansion of a Community Redevelopment Area (CRA). He emphasized the importance of CRAs for local control over tax dollars and explained how they can benefit a city. He detailed the ongoing dispute with the county over the CRA expansion, highlighting the county's opposition and the legal framework governing the process. The speaker asserted the city's right to expand the CRA without the county's approval, citing specific legal arguments to support their position.

Mayor Hilligoss said we have tried to be cooperative in this. Mr. Shepard agreed on this. Mayor Hilligoss said this is about the CRA having control of the money instead of the County and making sure the money is spent in Lake Wales. Mr. Shepard agreed.

Commissioner Gillespie asked about the finding of blight. Mr. Slaton said the CRA hired a firm S&ME to do a study and confirm the existence of blight. Mr. Shepard reviewed the statutory definition of blight and said the area met that definition.

Jennifer Nanek, City Clerk, read **CRA RESOLUTION 2024-20** by title only.

CRA RESOLUTION 2024-20

A RESOLUTION OF THE CITY OF LAKE WALES, FLORIDA COMMUNITY REDEVELOPMENT AGENCY AMENDING THE LAKE WALES COMMUNITY REDEVELOPMENT PLAN; AFFIRMING THE FINDING OF THE EXISTENCE OF BLIGHTED AREAS IN THE CITY; MEMORIALIZING THE EXPANSION OF THE COMMUNITY REDEVELOPMENT AREA BOUNDARIES; PROVIDING FOR SEVERABILITY; PROVIDING FOR NOTIFICATION TO TAXING AUTHORITIES AND PROVIDING AN EFFECTIVE DATE.

Commissioner Thompson made a motion to adopt CRA Resolution 2024-20. Commissioner Williams seconded the motion.

by roll call vote:

Commissioner Thompson "YES"

Commissioner Williams "YES"

Commissioner Gillespie "NO"

Mayor Hilligoss "YES"

Chair Gibson "YES"

Motion passed 4-1.

5. Down Payment Assistance (DPA)

[Begin Agenda Memo]

SYNOPSIS: The purpose of this request is to consider the increase of Down Payment Assistance (DPA) to \$40,000.

RECOMMENDATION It is recommended the CRA Board consider the following action(s)

1. The CRA Board authorizes the increase in down payment assistance from \$20,000 to \$40,000 for an affordable home built by Keystone Challenge Fund, INC.

BACKGROUND The DPA program is designed to attract homebuyers who meet the qualifier of 120% or below in Area Median Income. When the program was launched in 2021, the maximum amount provided was \$15,000. However, due to the increase in construction costs and interest rates, the CRA had to raise the amount to \$20,000. Through this program, the Lake Wales CRA has provided assistance totaling \$190,000 to nine (9) first-time homeowners.

The first-time homeowner of Keystone Challenge Fund's latest affordable home, located at 610 Dr. J. A. Wiltshire Ave, will be the recipient of the \$40,000 DPA request. Funds will be used from the 'Land-Strategic Development' account. The current balance is \$76,167, the remaining balance will be \$36,167. Consideration for future applicant's requests for DPA will be contingent upon available funds.

LAKE WALES CONNECTED PLAN ACTION STEPS

Action # Description

39 Provide down payment assistance and low-interest loans mortgages for infill housing.

FISCAL IMPACT The Cost to the CRA will be \$40,000

OTHER OPTIONS Not accept CRA staff recommendation.

[End Agenda Memo]

James Slaton, Executive Director, reviewed this item.

Commissioner Gillespie asked why this increase in down payment assistance would help to keep the property within the qualifier of 120% below Area Median Income?. Mr. Slaton explained that the increased assistance would lower overall housing costs, particularly given rising construction expenses. He explained that this would reduce the loan amount for homeowners.

Commissioner Gillespie sought clarification on whether the funds were a direct grant to homeowners or a

loan modification. Mr. Slaton clarified that the assistance would reduce the loan principal. A subsequent question regarding the city's recovery of these funds was answered by Slaton, who explained that tax increment revenue generated by the property would gradually reimburse the city, with an average recovery period of ten years.

Commissioner Gillespie asked if this increase would expand the number of potential applicants for these homes? Mr. Slaton suggested directing this question to Jeff Bagwell, who manages the program and works closely with applicants. Mayor Hilligoss inquired about the current down payment assistance amount, which Slaton confirmed as \$20,000.

Chair Robin Gibson requested a summary of the program's success in achieving a return on the \$20,000 to \$40,000 investment. Mr. Slaton explained about the program's effectiveness, citing the significant increase in tax increment revenue within the Northwest neighborhood as evidence. He attributed this success to the collaborative efforts of the CRA, Polk County, and South State Bank.

Commissioner Gillespie expressed concern about the potential for non-residents to benefit from the program at the expense of long-term Lake Wales residents. Commissioner Thompson said that we should welcome new residents and avoid residency restrictions. He highlighted the economic benefits of new homeowners to the community, including increased property values.

Mayor Hilligoss asked how many homes have we built with this program? Mr. Slaton said 7.

Mayor Hilligoss said the issue about residency seems like a reason to be against the program rather than looking at the overall benefits to the community.

Commissioner Thompson made a motion to approve this item. Commissioner Williams seconded the motion.

by roll call vote:

Commissioner Thompson "YES"

Commissioner Williams "YES"

Commissioner Gillespie "NO"

Mayor Hilligoss "YES"

Chair Gibson "YES"

Motion passed 4-1.

6. Lake Alta Vacant Land Contract

[Begin Agenda Memo]

SYNOPSIS: Staff is requesting CRA Board approval of the Lake Alta Vacant Land Contract between J. Walter Homes, Inc. and the Lake Wales Community Redevelopment Agency (CRA).

RECOMMENDATION It is recommended that the CRA Board take the following actions:

1. Approve the Vacant Land Contract between J. Walter Homes, Inc. and the Lake Wales CRA.
2. Authorize the expenditure of \$565,000.

3. Authorize the Executive Director to execute the necessary documents on behalf of the CRA.

BACKGROUND At the July 9, 2024 CRA Board Meeting, the Board expressed a desire to purchase property at 0 3rd Street North, west of Lake Alta. There was a previous residential Planned Development Project (PDP) for the property, but it was not approved by the City Commission. This proposed contract is to purchase the property from J. Walter Homes, Inc. for a purchase amount of \$565,000.00.

OTHER OPTIONS Do not approve Vacant Land Contract between J. Walter Homes, Inc. and the Lake Wales CRA.

FISCAL IMPACT The fiscal impact is \$565,000.00.

[End Agenda Memo]

James Slaton, Executive Director, reviewed this item.

Chair Robin Gibson outlined the proposal to purchase the upland portion of the Lake Alta property, aiming to create a demonstration development. He emphasized the potential of this unified ownership to generate revenue through development and subsequently fund the cleanup of the adjacent "bowl" area. Mr. Gibson stressed the importance of demonstrating the project's viability through a well-crafted plan before proceeding with the purchase. He highlighted the project's alignment with the city's goal of preventing urban sprawl by encouraging denser development within city limits. Mr. Gibson emphasized the need for expert input and careful analysis to ensure the project's success and financial viability. He concluded by expressing a willingness to proceed with the purchase if a compelling plan is presented.

Mayor Hilligoss asked about the basis for the proposed \$575,000 purchase price for the Lake Alta property. He expressed concern that the property would likely be developed regardless of the CRA's involvement. Mayor Hilligoss also emphasized the importance of community input in shaping the development and ensuring the project's financial viability.

Executive Director James Slaton confirmed the CRA's intent to recoup the purchase price through future development and emphasized the importance of community engagement in the design process. He said that the CRA would maintain control over the development's design.

Mayor Hilligoss asked for the methodology on how the \$575,000 purchase price was determined.

Sara Irvine, Special Projects Administrator, explained the methodology used by the appraiser to determine the property's value. The appraiser considered the property's potential for development as outlined in a previous, unapproved development plan. By referencing this plan, the appraiser made assumptions about the property's future use, which influenced the final valuation. Ms. Irvine emphasized that the appraiser's estimate was based on the assumption of a larger development than what the city currently envisions for the property.

Chair Gibson expressed dissatisfaction with the appraised value and requested documentation of the property owner's actual costs. Mr. Slaton said that he can certainly request that documentation.

Commissioner Thompson questioned the proposed sequence of events, expressing concern about purchasing the property before developing a concrete plan. He argued that this approach could be financially risky for the CRA and the plan might not be attractive to potential developers.

Commissioner Gillespie expressed concern over the ongoing neglect of the "bowl" area and advocated for immediate action to address its deteriorating condition.

Commissioner Williams expressed opposition to the proposed development, citing the wishes of local residents who do not desire it.

Chair Robin Gibson emphasized the importance of creating a self-sufficient project that could generate revenue to fund the cleanup of the "bowl" area without relying on resources from other neighborhoods.

Commissioner Thompson asked to confirm that we will have to unify the property to get the correct density to sell to the developer is that correct Mr. Slaton confirmed this.

Chair Gibson emphasized the project's potential to position Lake Wales as a national example. He recommended a cautious approach, involving acquiring the property, designing the project, and evaluating its feasibility before proceeding. He also expressed frustration with making decisions based on speculation and emotion.

Commissioner Williams expressed uncertainty about voting on the proposal without knowing the exact cost involved and requested more information from the owner.

Commissioner Gillespie asked specifically whether the board is being asked to approve the purchase of land?

Mr. Slaton clarified that the \$560,000 is the exact cost the property owner has invested in the project and is the amount needed to recoup his expenses. He emphasizes that if the board doesn't purchase the property, the owner will proceed with building six houses on the land. Mr. Slaton also explained that if the board desires a different development plan, such as a mixed-income housing project, they must first acquire the property to have control over it. He reiterates that the owner is prepared to develop the land regardless of the board's decision.

Commissioner Williams made a motion to approve the purchase. Chair Gibson seconded the motion.

by roll call vote:

Commissioner Williams "NO"

Commissioner Gillespie "NO"

Commissioner Thompson "NO"

Mayor Hilligoss "NO"

Chair Gibson "YES"

Motion failed 4-1.

7. The Donation Of Three Parcels To The Real Estate Foundation To Be Redeveloped For Affordable Housing

[Begin Agenda Memo]

SYNOPSIS: The purpose of this request is to consider the donation of three parcels owned by the CRA to the Real Estate Foundation.

RECOMMENDATION It is recommended the CRA Board consider the following action(s)

1. The CRA Board authorize the donation of the CRA property at 1130 Dr. M. L. K. Jr Blvd, 315 Dorsett Ave, and 517 B Greenview Terrace to the Real Estate Foundation. Parcel number (s): 27-30-02-899000-008140and 27-30-02-899000-008100.

2. Authorize the Executive Director of the CRA to enter into a developer's agreement and said agreement shall, include, at a minimum, deadline, milestones, a reverter clause or refund where applicable.

BACKGROUND As part of the CRA's Affordable Housing Initiative, on January 21, 2021, the CRA Board approved the donation of two CRA properties to Keystone Challenge Fund. The donation created a series of collaborations between Keystone and the CRA that resulted in six (6) affordable homes that were built, and two (2) homes rehabbed.

LAKE WALES CONNECTED PLAN ACTION STEPS

Action # Description

9 Provide down payment assistance and low-interest mortgages for infill housing in the Northwest Neighborhood

27 Identify properties owned by CRA or the City and explore joint ventures for new housing 38 Provide first-time homebuyer counseling and education (via the Real Estate Foundation) 39 Provide down payment assistance and low-interest mortgages for infill housing

THE REAL ESTATE FOUNDATION OVERVIEW AND PLANS FOR REDEVELOPMENT

The Real Estate Foundation is 501(c)(3) non-profit housing agency, affordable housing developer, and network association established to create wealth and abundance for all.

Established in 2022, the Real Estate Foundation has provided families in Hillsborough and Polk County with housing counseling, credit counseling, down payment assistance, and affordable housing. The Real Estate Foundation works with churches, community leaders, residents, community organizations, and private donors to ensure the quality of the homes built are second to none. The Foundation has a network of over 150 real-estate agents. Once a month, the organization brings together small business owners together to network and share real-estate ideas with the goal to help bring more affordable housing and generational wealth to low-income communities.

FISCAL IMPACT The Cost to the CRA will be \$0.

[End Agenda Memo]

James Slaton, Executive Director, recommended that this item be tabled, along with the next one so a plan can be worked out with Jeff Bagwell to assist.

Alexis Munroe from The Real Estate Foundation reviewed their plans to build homes in Lake Wales. She said they are helping residents with their credit and becoming active in the community. She shared some of their previous accomplishments and said they are here to serve. Pristine Akiboh, The Real Estate Foundation, said they are professionals wishing to address a crises of affordable housing throughout the state. They provide services in the Northwest area because they care. She plans to stay and hopes to relocate here soon.

Commissioner Thompson asked about the 31 homes, if they are mostly in the Tampa area. Ms. Akiboh said yes mostly in Tampa but also in Winter Haven. Commissioner Thompson asked if he could come see some of the houses. Ms. Akiboh and Ms. Munroe both said yes. Commissioner Williams said he would like to go on a tour as well. This was discussed.

Commissioner Thompson asked if the plan is to have Jeff Bagwell to help them in an advisory capacity? Mr. Slaton said yes. Commissioner Thompson agreed with this as he has lots of experience.

Commissioner Thompson made a motion to table this item and the next one. Commissioner Williams seconded the motion.

Commissioner Gillespie asked why are we not getting Keystone to build these houses? Commissioner Thompson said that Keystone isn't interested in these. Mr. Slaton confirmed this and said that this non-

profit organization is ready to go. By working with Jeff this would be a win-win. Chair Gibson commended Mr. Bagwell on his efforts with affordable housing.

by voice vote:

Commissioner Thompson "YES"

Commissioner Williams "YES"

Commissioner Gillespie "YES"

Mayor Hilligoss "YES"

Chair Robin Gibson "YES"

Motion passed 5-0.

8. A Funding Request To The Real Estate Foundation For The Development Of Affordable Homes.

[Begin Agenda Memo]

SYNOPSIS: The purpose of this request is to consider the funding request of \$124,160 to the Real Estate Foundation for the development of three affordable homes.

RECOMMENDATION It is recommended the CRA Board consider the following action(s)

1. The CRA Board authorize payment of \$124,160 to the Real Estate Foundation for the development of three affordable homes. The properties are: 1130 Dr. M. L. K. Jr Blvd, 315 Dorsett Ave, and 517 B Greenview Terrace to the Real Estate Foundation. Parcel number (s): 27-30-02-899000-008140and 27-30-02-899000-008100.

2. Authorize the Executive Director of the CRA to enter into a developer's agreement and said agreement shall, include, at a minimum, deadline, milestones, a reverter clause or refund where applicable.

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counseling, down payment assistance, and affordable housing. The Real Estate Foundation works with churches, community leaders, residents, community organizations, and private donors to ensure the quality of the homes built are second to none. The Foundation has a network of over 150 real-estate agents. Once a month, the organization brings together small business owners together to network and share real-estate ideas with the goal to help bring more affordable housing and generational wealth to low-income communities.

RETURN ON INVESTMENT

REVENUE VALUE

Jurisdiction Millage

Polk County 6.6852

City of Lake Wales 7.1214

Total 13.8066

Assessed Value \$365,000.00 (Duplex assumed) (Less \$50,000 Homestead \$195,000.00 (Single Family Home Exemption assumed)

Tax Increment Revenue \$5,039.40 (Duplex per year) + \$2,692.28 (Two Single Family Homes Per Year)
=10,423.97

FISCAL IMPACT The Cost to the CRA will be \$124,160.

OTHER OPTIONS Not accept CRA staff recommendation.

[End Agenda Memo]

9. EXECUTIVE DIRECTOR'S REPORT

10. BOARD MEMBER COMMENTS

Commissioner Gillespie expressed support for affordable housing efforts. She said we need to be cautious of how funds are spent, that we be sure that they are going towards this effort.

Commissioner Williams asked about the request from the Lake Wales Charter Schools. Chair Gibson said that will be on the next agenda.

Mayor Hilligoss said he agreed with the sentiments that Commissioner Gillespie shared. He said we all want what's best for Lake Wales and to be sure funds are spent appropriately. He asked citizens to not have assumptions before the board discusses difficult issues. He asked citizens to assume they have good motives.

Commissioner Thompson spoke on the importance of local control and not turn things over to the county or state. He said questioning the boards motives and judgement by citizens is frustrating. We all love Lake Wales and want what's best.

Chair Gibson said these are difficult issues and we should not be afraid to tackle them. He is glad of the discussion and comments from citizens. We have an opportunity to be special and do it our way with local control. We need to work together and go forward.

11. ADJOURN

The meeting was adjourned at 4:08 p.m.

Chair/Vice-Chair

ATTEST:

City Clerk/Deputy City Clerk