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**AGENDA**  
**Fifth Avenue Pleasant Street Redevelopment Advisory Board**  
**Monday, June 8, 2009**  
**5:30 pm**

**Community Redevelopment Agency**  
**300 East University Ave., Suite 240, Gainesville, FL 32601**

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**A. ROLL CALL**

**B. ADOPTION OF THE AGENDA**

**C. APPROVAL OF THE MINUTES** – Minutes from the March 24, 2009 and May 11, 2009 meetings.

**D. REQUEST TO ADDRESS THE BOARD**

**E. COMMUNICATIONS**

- 1. Chair's Report**
- 2. Staff Report**

Streetscape Standards – This project is currently on-hold

FAPS Heritage Trail – The strategic planning process generated this project to create a physical system of markers and signage to recognize the historic and cultural significance of key locations and people connected with the FAPS redevelopment area. Staff is working with the landscape architecture firm Dix Lathrop Associates to develop a scope of work for phase 1 of the project.

The scope of work and proposed work schedule will be explained at the next FAPS advisory board meeting.

A Quinn Jones House – This is a joint project between Cultural Affairs and the CRA. Efforts continue to complete the stabilization steps outlined in the Feasibility Study provided by Jay Reeves. The carport was removed in May 2009. A consultant has completed a line item cost estimate report. A proposal has been received from historic preservation architect. Staff is currently reviewing the proposal and cost estimates and will work with Cultural Affairs to estimate a budget and project plan.

Mom's Kitchen – The closing on Mom's Kitchen occurred on Friday, May 15, 2009.

NW 6<sup>th</sup> Street Rail Trail – This is a Public Works Department project in which the CRA is coordinating with in order to plan for future enhancements. Phase I (from Depot Park to SW 2<sup>nd</sup> Ave) construction is scheduled to begin summer 2009. Phase II design (from SW 2<sup>nd</sup> Ave to NW 16<sup>th</sup> Ave) will begin fall 2009.

NW 5<sup>th</sup> Ave Streetscape – Phase 2 (600 -1000 Blocks) – The scope of improvements include undergrounding aerial utilities, reconstructing wider sidewalks, ADA upgrades, decorative brick paving and lighting. 30% design documents are complete and the project team met in late April to discuss coordination of undergrounding utilities. 60% design documents are on schedule to be completed by end of June. Construction documents are scheduled to be complete December 2009 with construction commencing in January 2010, assuming no budget shortfalls.

**G. OLD BUSINESS**

**1. Project Update - CRA Office Building at 802 NW 5<sup>th</sup> Ave (B)**

..Explanation

The Model Block Program (MBP) was conceived to help address the issue of vacant and abandoned properties in the Fifth Avenue Pleasant Street Redevelopment Area. Since 2003, the CRA has acquired ten properties, including both vacant lots and houses to rehab. To date, three (3) houses have been rehabilitated and sold. There are seven (7) properties remaining to be completed: six for new construction and one for historic rehabilitation.

The Model Block Program construction and disposition process includes five major activities: Design, Construction, Financing, Marketing, and Disposition. The current construction and disposition process is

lengthy and limited in flexibility. To streamline the process and provide more flexibility to respond to changes in the housing market, staff is recommending that the Model Block Program be revised as outlined below.

**Design:**

Staff is recommending that all homes be constructed using Green Building practices, including energy and water efficiency, and sustainable materials.

**Construction:**

Under the existing MBP, each house is treated as an individual project and construction is bid out to the lowest bid (i.e. hard bid) contractor to construct a single house. A house is built and sold before the construction bidding process begins for the next home. A few years ago staff attempted to hard bid the construction as a bundle of homes under a single project. After several unsuccessful attempts, the homes were bid out individually and constructed as separate projects.

Staff is recommending two changes to the existing construction approach: 1) Change to Construction Management at Risk (i.e. contractor guarantees a maximum price) and 2) logically group (e.g. Pleasant Street new construction; Fifth Ave new construction) multiple houses together under a single construction contract. This will allow economies of scale for the contractor and allow Model Block homes to be constructed in a shorter timeframe. The CRA has recently completed a qualifications process for Construction Manager and there are four (4) local firms that could be selected for the construction.

**Financing:**

Under the existing MBP, financing is provided through a \$300,000 Line of Credit (LOC) from the National Trust for Historic Preservation Inner City Venture Fund. Draws are taken during the construction period and the line is paid off from the proceeds of the sale.

Staff is recommending that, if possible, the LOC be renewed. In addition to the LOC, it is recommended that either a line of credit or a construction loan be secured with a conventional lender. This will add flexibility to the program and the remaining houses can be constructed without some of the limitations of the National Trust LOC. Staff also recommends continuing to explore additional funding options.

**Marketing:**

Under the existing MBP, the houses are marketed via newspaper ads, yard signs, City website, and public information.

Staff is recommending that the CRA partner with the City's Housing department to conduct community outreach programs to provide more visibility. Staff also recommends retaining a Real Estate brokerage firm. The broker would conduct a market analysis, advertise and market the homes via multiple listing services, newspapers, publications, internet, and other media not currently used for marketing of Model Block homes. In a soft residential real estate market, this additional exposure and broader marketing efforts to potential buyers is critical to the program's success. Additionally, staff recommends also marketing the homes to potential buyers prior to construction.

**Disposition:**

Under the existing MBP, the houses are sold via an open bidding process. A minimum bid amount is set that is equal to actual construction costs plus the value of the land. The bidding process is open for a minimum of 10 days. Once bids are received, they are evaluated on selection criteria designed to help achieve the Model Block program objectives and CRA goals. Bidders receive points for all criteria. The final selection is not determined solely by price.

Staff is recommending that the bidding process be sunset and replaced with a first-come; first-serve market-based disposition process. The asking price of the home would reflect the current market and not be based solely on construction costs. The buyers must be able to afford the mortgage debt, property taxes, and insurance according to lender criteria. The requirement that the home be occupied as a principal residence would remain to encourage home ownership and not rental activity.

Financing would continue to be the sole responsibility of the buyer. No new changes would take effect in the deferment of the land and development cost which will remain for a period of 10 years, resulting in a \$25,000 deferred second mortgage. The prospective buyer would also be required to present a letter of commitment from a lending institute that states they are eligible for a mortgage as stated in the existing program. A Façade Easement would be required as in the existing program that will be recorded to preserve the maintenance and exterior of the building. This Façade Easement would remain as part of the sale/transfer of the property. The maintenance of the facade is the responsibility of the owner and maintenance can be enforced by the CRA if the facade is not maintained properly.

Through a partnership with City's Housing Department, if the buyer is low/moderate income, assistance with down payments in the form of the SHIP and HOME programs may be made available.

Pleasant Street Design Services:

4M Design has provided a proposal for design services for the three (3) Pleasant Street new construction homes that are to be started in FY09. The proposal is included as back-up.

.. Fiscal Note

\$4,000 was budgeted in FY09 for each of the six new construction homes for design totaling \$24,000. Since the three (3) Fifth Ave neighborhood Model Block homes will not be designed and constructed until FY10, \$12,000 could be transferred into the accounts for the three Pleasant Street new construction homes. The remaining \$9,000 needed to cover the \$33,000 4M proposal is available in account 613-W509. This account has been used for each completed home and has an available balance of \$196,393.

.. Recommendation

CRA Staff to the Fifth Avenue Pleasant Street Advisory Board: 1) Hear Presentation by Staff; 2) approve changes to Model Block Program approach and policies as presented and modified; and 3) approve architectural design services proposal from 4M Design for \$33,000 for three Pleasant Street new construction homes and the associated budget transfer

## **H. NEW BUSINESS**

### **1. CRA Sustainability Policy**

..Explanation

Sustainability is an approach to redevelopment where providing for current well-being can reduce constraints on future generations to provide for their own quality of life. Its core values address social and economic equity in addition to environmental responsibility. Sustainability is fast becoming integrated into the business operations of corporations, governments, and university campuses. Large companies (Proctor and Gamble), Cities (Charlottesville, VA) and flagship Universities (University of Florida) have invested a great amount of effort in creating and implementing sustainability policies. The reasons for implementing sustainability are varied. For corporations, the reasons may be to expand market share of sustainable goods and services or to reduce negative impacts on social conditions in developing countries where manufacturing is located. Local governments benefit from sustainability by improving quality of life, reducing operating costs, and enhancing economic competitiveness. The CRA is positioned to enhance the sustainability of Gainesville by virtue of its focused redevelopment mission. The CRA leads or facilitates projects such as infill development, parks, roadway reconstruction, stormwater projects, multi-modal improvements, historic preservation, and new business startups that support qualitative sustainability goals. However, there is more that can be done. Last fall, CRA staff began to research sustainability policies to identify workable models on which to base a CRA-wide policy. The CRA reviewed the policies of the CRA of Los Angeles and the sustainability guiding principles adopted by the University of Florida. The CRA looked at its internal operating practices for areas in which to strengthen sustainability. Staff also reviewed existing CRA redevelopment plans and incentive programs for opportunities. The synthesis of this research generated a draft sustainability policy. The draft policy contains guiding principles, much like the UF model, covering social, economic, and environmental areas. The details of the policy will be presented at the meeting. The CRA will initiate a dialogue with all four redevelopment advisory boards in order to receive suggestions and comments. The focus of these discussions is the guiding principles and not the implementation steps, which will be formulated separately as specified in the draft policy. The objective is to receive approval from each advisory board so that a final sustainability policy can be presented to the CRA for approval.

CRA project number: CFED-08-SP-2008

..Recommendation

CRA Staff to the FAPS Redevelopment Advisory Board: 1) Hear presentation, and 2) provide input.

- I. **REPORT OF OFFICERS AND COMMITTEES**
- J. **BOARD MEMBER COMMENT**
- K. **PUBLIC COMMENT**
- L. **ADJOURNMENT**