



Hallandale Beach Community Redevelopment Agency

Board of Directors Meeting

Agenda Cover Memo

Meeting Date:	February 20, 2018	Item Type:	Resolution X	Ordinance	Other
Fiscal Impact:	Yes	No	Ordinance Reading:	1st Reading	2nd Reading
	X		Public Hearing:	Yes	No
				X	X
Funding Source:	130 Fund (Various Accounts)		Advertising Requirement:	Yes	No
					X
Account Balance:					
Project Number :	N/A		RFP/RFQ/Bid Number:	N/A	
Contract/P.O. Required:	Yes	No	Strategic Priority (Enter X in box):		
		X	<p>Capital Improvements <input type="checkbox"/></p> <p>Goal 1 - Undertake Total Improvements of Public Realm <input type="checkbox"/></p> <p>Goal 2 - Promote Public/Public and Public/Private Partnership <input type="checkbox"/></p> <p>Promote Projects with Large-Scale Impacts <input type="checkbox"/></p> <p>Goal 1 - Issue a Request for Proposals (RFP) for NW infill Housing <input type="checkbox"/></p> <p>Goal 2 - Issue a Request for Qualifications (RFQ) for Dixie Highway/Foster Road parcel <input type="checkbox"/></p> <p>Priority Area:</p> <p>North West Quadrant <input type="checkbox"/></p> <p>FEC Corridor <input type="checkbox"/></p> <p>Southwest Quadrant <input type="checkbox"/></p> <p>Northeast Quadrant <input type="checkbox"/></p> <p>Southeast Quadrant <input type="checkbox"/></p>		
Sponsor Name:	Roger M. Carlton, HBCRA Executive Director		Department:	HBCRA	



Short Title:

A RESOLUTION OF CHAIR AND BOARD OF DIRECTORS OF THE HALLANDALE BEACH COMMUNITY REDEVELOPMENT AGENCY, HALLANDALE BEACH, FLORIDA; APPROVING AN AMENDMENT TO THE FY17/18 BUDGET INCREASING THE BUDGET BY \$2,352,889 AND REFLECTING SUCH INCREASE IN ONGOING PROGRAMS AND PROJECTS; AUTHORIZING THE EXECUTIVE DIRECTOR TO TAKE ALL ACTION NECESSARY TO IMPLEMENT THE AMENDMENT TO THE FY17/18 BUDGET AND TO MAKE CONTINUED ADJUSTMENTS TO THE TO THE FY17/18 BUDGET; AND PROVIDING AN EFFECTIVE DATE.

Staff Summary:

Background:

On September 27, 2017, the Hallandale Beach Community Redevelopment Agency (HBCRA) Board of Directors approved the HBCRA annual budget for FY17/18. The approved budgeted amount is \$17,139,454.

Current Situation:

The HBCRA's expected revenue collections and overall fund balance for FY 17/18 has increased primarily as a result of higher than anticipated Tax Increment Financing (TIF) payments, an additional sale of an infill home, prior year(s) purchase orders, and cash reappropriations tied to projects and programs.



Explanation of Adjustments for FY17/18 Budget

Significant Revenue Adjustments Over \$150k

CRA Revenue Sources Account changes over 150K	FY 17/18 Approved Budget	FY 17/18 Budget Recommended Amendments	FY 17/18 Amended Budget as of February 20, 2018
Tax Increment Financing	\$ 10,126,270	\$ 545,935	\$ 10,672,205
Sale of Fixed Asset - InFill housing	\$ 160,000	\$ 160,000	\$ 320,000
HBCRA Ending Cash Balance 16/17	\$ 6,084,395	\$ 800,485	\$ 6,884,880

Tax Increment Financing

During the budget process for FY 17/18, the HBCRA proposed in the Tax Increment Financing account an amount of \$10,126,270. This amount was based on the initial June 2017 Broward County Property Appraiser's (BCPA) values. The June 2017 breakdown is as follows:

- Estimated revenue of \$200,000 Memorial Regional South Hospital
- Estimated revenue of \$412,797 Children's Services Council
- Estimated revenue of \$4,565,116 Broward County
- Estimated revenue of \$4,948,357 City of Hallandale Beach

In October 2017, the BCPA released their final property appraisal values. The HBCRA received \$458,854 from Children's Services Council, \$5,077,790 from Broward County and \$4,935,561 from the City of Hallandale Beach for a total of \$545,935 increase in revenue.

CRA TIF Agency	CRA TIF Revenue Budget Amount	TIF Revenue Amount Received by HBCRA	Difference
Memorial Regional Hospital South	\$ 200,000	\$ 200,000	\$ -
Children's Services Council	\$ 412,797	\$ 458,854	\$ 46,057
Broward County	\$ 4,565,116	\$ 5,077,790	\$ 512,674
City of Hallandale Beach	\$ 4,948,357	\$ 4,935,561	\$ (12,796)
Total Revenues	\$ 10,126,270	\$ 10,672,205	\$ 545,935



Sale of Fixed Assets (InFill Housing)

During the budget process for FY 17/18 the HBCRA proposed the Sale of Fixed Assets (InFill housing) account an amount of \$160,000. The HBCRA is expected to sell another Infill home during the fiscal year with an estimated revenue of \$160,000. The HBCRA is anticipating a total of \$320,00 from the sale of the two Infill homes.

HBCRA Ending Cash Balance FY 16/17

The HBCRA had an additional cash savings from Interlocal Agreements and programs such as the First Time Home Buyers Program as well as other operating expenditures. The breakdown is as follows:

- Cash savings from programs of \$334,268
- Cash savings from capital projects \$145,841
- Cash savings from Interlocal Agreement \$455,784
- Cash savings from other operating expense \$86,448

The HBCRA owes an amount of \$ 221,856 to the City for personnel expenses, utilities, fleet charges and gas. Currently the city pays these expenses and the HBCRA reimburses the City.

Significant Expenditures Adjustments Over \$150k

CRA Expenditure Account Changes over 150k	FY 17/18 Approved Budget	FY 17/18 Budget Recommended Amendments	FY 17/18 Amended Budget as of February 20,2018
NE 14th Avenue Landscaping	\$ 300,000	\$ 292,000	\$ 592,898
Programs	\$ 3,007,269	\$ 366,126	\$ 3,373,395
Workforce/Affordable Housing	\$ 1,000,000	\$ 179,251	\$ 1,179,521
Redevelopment Agreements	\$ 3,419,587	\$ 916,666	\$ 4,336,253

Construction for NE 14th Avenue Landscaping

In FY 16/17, the HBCRA approved a budget of \$393,000 for the construction of NE 14th Avenue Landscaping. During that fiscal year only \$101,000 was spent on project cost. As a result the remaining \$292,000 is a carry forward balance. During the budget process for FY 17/18 the HBCRA proposed that the estimated cost for construction would be \$300,000, the HBCRA will need to amend its budget to allocate the remaining carry forward balance.



Programs

The HBCRA approved a budget of \$3,007,269 for programs the breakdown is as follows:

- Hurricane Loss Mitigation Program -\$194,000
- Paint Voucher Program-\$10,000
- Window/ Storm Shutter Program- \$ 60,000
- Down Payment Assistance Program- \$700,000
- Neighborhood Improvement Program - \$ 930,000
- Business Incentive Program – \$500,000
- Façade Grant Program -\$613,269

The HBCRA is proposing to increase by \$100,000 the approved budget for the paint voucher and window/ storm shutter program as we have already exhausted all funding within the first quarter of the fiscal year.

Workforce/Affordable Housing

The budget for FY 17/18 had an allocated amount of \$1,000,000 for the construction of affordable and workforce homes within the CRA. The HBCRA is expecting to sell another Infill home this fiscal year and will need to account for the construction expenses in the amount of \$179,251. This is a part of the purchase order carry forward balance. This will result in an increase in the Workforce/Affordable housing account in the amount of \$1,179,215.

Redevelopment Agreements

During the budget process for FY 17/18, the HBCRA proposed in the Redevelopment account an amount of \$4,072,719. The breakdown is as follows:

- Estimated expense of \$200,000 for Targeted Industry Incentives
- Estimated expense of \$439,000 for Mega Developers
- Estimated expense of \$455,000 for Icebox Café
- Estimated expense of \$660,000 for Donaldson West Construction
- Estimated expense of \$1,665,987 for NE 3rd Street Improvements
- Estimated expense of \$453,132 for Gulfstream TIF payment
- Estimated expense of \$200,00 for Foster Dixie (Proposed but not yet approved by HBCRA Board)



The HBCRA has received a proposal for the Hallandale City Center project. To date the developer has secured a loan for the project in an amount of \$10,022,692. The remainder of the funds would come from developer equity and an additional HBCRA incentive in the amount of \$2,750,000 for the gap financing. The breakdown of the additional HBCRA incentive is as follows:

- Affordable/workforce housing units – 14 units at a cost of \$117,857 per unit (\$1,650,000).
- Public Parking Spaces – 55 spaces at a cost of \$20,000 per space (\$1,100,000)

The HBCRA gap funding contribution will be in the amount of \$916,666 over a period of three years. This Gap funding contribution necessitated the need for a budget amendment for this project.

Notable Personnel Changes

The HBCRA has reclassified the Administrative Assistant, Real Estate Coordinator, Residential Specialist, and Business Development Coordinator position to better address the needs of the Agency. The Administrative Assistant position has now been classified to Office Manager. Both the Real Estate Coordinator and Residential Specialist have now been classified to Program Manager. The Business Development Coordinator position has now been classified to an Economic Development Manager. This individual will be required to oversees the planning, organizing, directing and executing of the City's Economic Development program, 76% of their salary will be paid by the HBCRA. The HBCRA is proposing a new position, an Economic Development Coordinator to assist the Economic Development Manager with the job requirements, 76% of their salary will also be paid by the HBCRA. This remaining 24% for both positions will be paid by the city since these individuals will be working outside of the CRA boundaries.

Analysis:

The adjustment to FY 17/18's budget is primarily reflected in the redevelopment agreements, capital projects, programs, land, and operating categories, which requires various revenues and expenditure accounts to be amended to ensure a balanced budget. The HBCRA will be making changes to personnel. There will be two reclassifications to better address the current and long-term needs of the agency. The Administrative Assistant position will now be classified as the Office Manager and the Business Development Coordinator will now be the Economic Development Manager. The following table summarizes the significant account amendments that are being proposed to arrive at the new total budget of \$19,492,343.



400 South Federal Hwy
Hallandale Beach, FL 33009

REVENUE BUDGET LINE DESCRIPTION	ADOPTED	AMENDED (PROPOSED)	CHANGE
INTEREST PAYMENTS	\$ 75,000	\$ 75,000	
TAX INCREMENT FINANCING	\$ 10,126,270	\$ 10,672,205	\$ 545,935
LOAN APPLICATION / SATISFACTION FEES	\$ 5,000	\$ 25,000	\$ 20,000
LOAN PAYMENTS (INTEREST)	\$ 20,000	\$ 20,000	
LOAN PAYMENTS (PRINCIPAL)	\$ 193,600	\$ 225,000	\$ 31,400
INFILL HOMES	\$ 160,000	\$ 320,000	\$ 160,000
RENT PAYMENTS	\$ 30,000	\$ 30,000	
UNSOLICITED PROPOSALS	\$ 104,789	\$ 104,789	
AFFORDABLE HOUSING DA COMMITMENT	\$ 150,000	\$ 150,000	
HLMP (HURRICANE LOSS MITIGATION PROGRAM)	\$ 190,400	\$ 190,400	
Total REVENUE	\$ 11,055,059	\$ 11,812,394	\$ 757,335
Total PRIOR YEAR(S) PURCHASE ORDERS		\$ 795,069	\$ 795,069
Total FY 16/17 ENDING CASH BALANCE	\$ 6,084,395	\$ 6,884,880	\$ 800,485
Total FUND BALANCE	\$ 17,139,454	\$ 19,492,343	\$ 2,352,889



EXPENSE BUDGET LINE DESCRIPTION	ADOPTED	AMENDED (PROPOSED)	CHANGE
PERSONNEL	\$ 870,064	\$ 938,558	\$ 68,494
OPERATING	\$ 734,830	\$ 864,983	\$ 130,153
CAPITAL PROJECTS	\$ 885,300	\$ 1,513,269	\$ 627,969
PROGRAMS	\$ 3,007,269	\$ 3,373,395	\$ 366,126
LAND	\$ 2,576,000	\$ 2,755,662	\$ 179,662
REDEVELOPMENT AGREEMENTS	\$ 4,072,719	\$ 4,989,385	\$ 916,666
INTERLOCAL AGREEMENTS	\$ 1,948,322	\$ 2,012,141	\$ 63,819
DEBT SERVICE	\$ 3,044,950	\$ 3,044,950	
Total EXPENSE	\$ 17,139,454	\$ 19,492,343	\$ 2,352,889

Fiscal Impact:

\$19,492,343

Why Action is Necessary:

Pursuant to the By-Laws Section 5.2, the HBCRA shall not expend any funds other than those in the budget or otherwise authorized by the Board, provided that the Directors shall have the power to amend its budget as may from time to time be necessary.

Proposed Action:

Staff recommends approval of the attached Resolution authorizing a Budget Amendment to the FY 17/18 HBCRA Adopted Budget.

Staff also recommends authorizing the Executive Director to make continued adjustment of the HBCRA Annual Adopted Budget to amend the budget based upon receipt of grant funds. The budget shall be automatically amended upon the adoption of a resolution to accept a grant or donation. Such amendments shall be automatic only when such amendments are authorized in the resolution accepting the grant or donation.

Attachment(s):

Exhibit 1 – Resolution

Exhibit 2 – Proposed Amended FY 17/18 Budget



400 South Federal Hwy
Hallandale Beach, FL 33009

Nickens Remy

Prepared by: Nickens Remy, Fiscal Operations Manager

A handwritten signature in black ink, appearing to read "Faith", written over a horizontal line.

Prepared by: Faith Phinn, Financial Management Analyst

A handwritten signature in black ink, appearing to read "Jeremy", written over a horizontal line.

Reviewed by: Jeremy Earle, Assistant City Manager