



CITY OF FORT LAUDERDALE

Approved
AFFORDABLE HOUSING ADVISORY COMMITTEE
MEETING MINUTES
CITY OF FORT LAUDERDALE
100 NORTH ANDREWS AVENUE
CITY COMMISSION CHAMBERS
1ST FLOOR CONFERENCE ROOM
MONDAY, JANUARY 8, 2018 – 9:00 A.M.

<u>Committee Members</u>		<u>Attendance – July 2017 through June 2018</u>	
		Present	Absent
Debbie Orshefsky, Chair	P	5	1
Roosevelt Walters, Vice Chair	P	6	0
Wilson Atkinson	P	4	2
Peter Cooper	P	6	0
Fran Epstein	P	6	0
Skeet Jernigan	P	2	4
Donnalee Minot	A	4	2
Edwin Parke	P	5	1
Brian Poulin	A	4	2
Mitchell Rosenstein	P	6	0
Brandon Stewart	P	5	1

At this time, there are 11 appointed members to the Committee, which means 6 would constitute a quorum.

Staff

Avis Wilkinson, Housing Programs Administrator / Staff Liaison
Lian Chan, Recording Secretary, Prototype, Inc.

Communication to the City Commission

None.

I. ROLL CALL / DETERMINATION OF A QUORUM

Chair Walters called the meeting to order at 9:08 a.m. Roll was called and it was noted that a quorum was present.

II. APPROVAL OF MINUTES – December 11, 2017

Motion made by Vice Chair Walters, seconded by Mr. Cooper, to approve. In a voice vote, the **motion** passed unanimously.

III. OLD BUSINESS

- **Affordable Housing Trust Policy & Procedures Discussion**

Chair Orshefsky suggested that instead of focusing on the Affordable Housing Trust Ordinance, the Committee discuss policy that is more meaningful in relation to what they hope to accomplish over the next year. Vice Chair Walters expressed concern, however, that further delay of the Ordinance could lessen the Committee's opportunity to make a difference by recommending policy to the City Commission. Ms. Wilkinson confirmed that the City Commission is awaiting the Committee's input on the draft Ordinance.

Chair Orshefsky proposed first addressing planning and goals before discussing the draft Ordinance in depth. Mr. Jernigan emphasized the importance of ensuring that the draft Ordinance is properly worded rather than quickly pushing it through the City process, asserting that they must understand how money in the Affordable Housing Trust Fund will be spent.

Chair Orshefsky noted an example from the draft Ordinance, noting that it does not provide a list of eligible projects but instead refers the reader back to the State Housing Initiative Partnership (SHIP). She pointed out that the Affordable Housing Trust Fund may contain more money than the City receives from SHIP. While the draft Ordinance is required to include certain mandatory aspects due to the City's charge to implement State programs, it should also contain specifics related to what the Committee feels the City should work to accomplish.

Chair Orshefsky continued that because enacting and implementing Affordable Housing Trust Fund policy remains the first goal of the Committee, each member is asked to come back to the February 2018 meeting with specific recommendations for revisions to the policy. She concluded that the top priority for the Committee should be recommendation of Trust Fund policy document, and the Committee's goals and objectives can be implemented into the document.

Ms. Wilkinson advised that the strategies proposed by the SHIP program are intended to meet the needs of the community, based on input from homeowners. These needs include repair of existing housing stock, as well as special needs for individuals whose homes need to come into compliance with the Americans with Disabilities Act (ADA) and others such as the elderly.

Chair Orshefsky stated that the Committee has a broader grant of authority under the Ordinance that created it than all members may realize. While in the past affordable housing was defined as assisting homeowners with repair and rehabilitation, the current definition also includes facilitation of the creation of affordable and multi-family housing, which has not been systematically promoted by the City. She asked if the Committee wished to further expand this definition.

Mr. Jernigan expressed concern with reductions in SHIP funding, which is insufficient to meet all the needs addressed by that program's parameters. He proposed that Trust Fund dollars be used within the administrative structure of SHIP, as this structure has already been established, rather than creating another administrative process outside SHIP's parameters.

Chair Orshefsky suggested that the Committee review SHIP expenditures from the previous year in order to understand where these dollars are going. They can then evaluate whether or not they wish to put more money toward these expenditures and priorities. Mr. Jernigan reiterated that most of SHIP's priorities use funds in a way he felt was consistent with how Trust Fund dollars should be used.

Mr. Atkinson advised that his concern with SHIP is that it does no more than stabilize and preserve an already inadequate supply of affordable housing. He suggested that in addition to administration of SHIP funds, affordable housing policy seek to increase political and community incentives to create more affordable housing.

Mr. Jernigan pointed out that SHIP policy addresses strategies for new construction and infill housing, although these policies may need to be broadened to create more new and multi-family housing. Mr. Atkinson stated that his interpretation of infill housing meant only single-family housing, which he characterized as an inefficient means to create affordable housing. He felt it would be more productive for developers to consolidate multiple lots within a single area.

Chair Orshefsky noted that the Local Housing Assistance Program (LHAP) is a three-year plan due for revision in 2018. She suggested that one of the Committee's goals be review and incorporation of this document into the facilitation of multi-family housing rather than maintaining the current focus on single-family housing.

Mr. Stewart asked where the reduction in SHIP funding occurred. Ms. Wilkinson replied that funds are allocated based on a State population formula over which the City has no control. Typically the City lets the Committee know how much funding they receive, of which a certain percentage is mandated for special needs, another percentage for administrative costs, and the remainder for rehabilitation, based on existing strategy. At present, all the funds intended for rehabilitation are allocated.

Chair Orshefsky asked which entity made the decision that these funds would be spent for rehabilitation. Ms. Wilkinson responded that this was recommended by City Staff and approved by the City Commission. This cycle will begin again in autumn 2018, at which time the Commission will be asked to determine this allocation once more.

Mr. Stewart observed that 55 rehabilitation projects are currently being funded using SHIP dollars. Ms. Wilkinson explained that many of these projects came from a waiting list that had existed prior to the allocation of SHIP funds.

Mr. Cooper commented that a recent County mandate required 15% of new construction be used toward affordable housing. Ms. Wilkinson clarified that the City's program is not governed by the County but by the City Commission. Chair Orshefsky added that 15% of units within the Downtown Regional Activity Center (Downtown RAC) were supposed to be affordable housing units: the City and County have determined that a number of micro-units available in that area meet the standard for affordable housing. She suggested that one of the Committee's goals be consideration of how land use regulation within the City does or does not facilitate the provision of affordable housing.

Mr. Parke asked if the Committee would have the ability to override City priorities established by the City Manager. Chair Orshefsky replied that they could not, as their authority is to make recommendations to the City Commission as an advisory entity. The Commission may or may not elect to follow these recommendations. Mr. Parke stated that this could mean the Committee should work on the priorities set by the City Manager.

Chair Orshefsky advised that one of the goals she recommended for the Committee is to review SHIP expenditures and policies and provide meaningful input on these expenditures before decisions are made by the City Commission. She suggested that they review documentation showing how SHIP funds have been spent, what these expenditures have accomplished, and whether the Committee wishes to recommend the City continue in this direction.

Mr. Jernigan returned to the use of SHIP funds, stating that SHIP policy also includes a section on new construction of rentals, which could apply to multi-family housing. He suggested reviewing these strategies and the levels of funding awarded for this purpose. He suggested that Trust Fund policy set the maximum award for these uses at a higher amount than SHIP policy.

Mr. Jernigan continued that he did not feel the City should spend Trust Fund dollars on disaster repair and mitigation, which are addressed by a portion of SHIP funds. Chair Orshefsky pointed out, however, that the draft Trust Fund policy refers back to the LHAP for eligible uses and activities. She proposed that the policy document list its priorities differently to prevent tying Trust Fund policy too closely to SHIP policy. She asked if Mr. Jernigan could draft a list of exceptions to the eligible uses and activities policy and send it to Ms. Wilkinson for dissemination among the Committee members.

Ms. Wilkinson explained that the State typically provides funding for disaster repair and mitigation. It sets aside a percentage of funds to be allocated to cities that request it. If the City had non-encumbered funds, they could also use these dollars for disaster repair, but the likelihood of funds that are not encumbered is very low.

Mr. Jernigan continued that he was not a proponent of using all Trust Fund dollars for rehabilitation and excluding new development. He felt if the City Commission elects to

use SHIP dollars exclusively for rehabilitation, the Trust Fund should be used exclusively for new construction.

Vice Chair Walters pointed out that most of the concerns raised by Committee members are already included in existing LHAP documentation. Chair Orshefsky stated that her concern was with tying eligible uses and activities only to the LHAP, which focuses primarily on rehabilitation. She reiterated that Trust Fund dollars should be used for broader purposes, or for goals that are not covered by LHAP.

Chair Orshefsky requested confirmation that the Committee felt Trust Fund dollars should focus primarily on new construction. The Committee agreed by consensus. Mr. Jernigan added that caveat that this would be true as long as SHIP funding priorities remain focused exclusively on rehabilitation. Should this change, the Trust Fund priorities might be subject to change as well.

Chair Orshefsky emphasized the need to understand the timeline on which decisions about SHIP funding is made in order for the Committee to have meaningful input. Ms. Wilkinson stated that she would put together this timeline and send it to the Committee members.

Ms. Wilkinson added that the Committee is asked to review the Affordable Housing Incentive Plan proposed by the State and make recommendations to the City Commission. This step is required in compliance with acceptance of SHIP funds and is typically due to the City Commission in autumn.

Chair Orshefsky continued that she had identified the following major goals:

- Finalize the Affordable Housing Trust Fund policy
- Review SHIP expenditures and policies and assume a role in determining how these expenditures are made
- Revise the LHAP
- Review land use requirements that affect policy
- Review and revise the 2015 Affordable Housing Incentive Plan

Mr. Atkinson asked if some geographic areas of the City are in greater need of housing rehabilitation than others. Ms. Wilkinson explained that this is addressed in the LHAP by request from the City Manager: applicants are served based on a first qualified/first served basis, with the highest priorities going to the elderly and to homeowners residing in the target area located east of I-95, west of NW 9th Avenue, South of Sunrise Boulevard, and north of Broward Boulevard.

Chair Orshefsky asked how Trust Fund dollars could be best used to produce new multi-family affordable housing. Mr. Rosenstein replied that the best course of action would be to leverage these funds with federal, State, and other subsidies from conventional sources. He felt the best economy of scale is created by building larger-scale developments of 50 to 150 units. Pairing with subsidies would also allow Trust

Fund dollars to have longer-term operational viability. These subsidies may include SHIP funds, tax credits, tax-exempt bonds, and other sources.

Mr. Rosenstein continued that greater flexibility regarding the use of the Trust Fund would be a positive, pointing out that the use of SHIP funds has become more restricted over time. This includes not limiting Trust Fund dollars to the specific demographics or geographic locations listed in the LHAP.

Vice Chair Walters asked if developments of this size would include all affordable units. Mr. Rosenstein replied that they may be constructed for varying income levels, noting that the Board can incentivize mixed-income developments, although he did not feel they should mandate a specific percentage of affordable, workforce, or market-rate units.

Vice Chair Walters also asked if multi-family developments would offer ownership of units or rental only. Mr. Rosenstein stated that from his perspective as a developer, tax credit-based rental development for affordable housing has the lowest default rate of any type of real estate development. Two major reasons for this are that these tax credit developments meet an acute demand for affordable housing and they carry significantly less conventional debt.

Mr. Rosenstein continued that while there is a higher default rate with home ownership, there are also home ownership models that succeed, such as the land trust model. Buyers within this process are screened and land trust entities help maintain and monitor the housing. He concluded that if the Committee elected to work with this model, there should be involvement by a non-governmental or nonprofit agency to ensure its continuing success.

It was determined that Staff would re-send the LHAP and Affordable Housing Incentive Plans. Ms. Wilkinson encouraged the Committee members to send their comments on these documents to her office.

- **City Changing the Terms of the Housing Rehabilitation Deferred Loans**

Ms. Wilkinson reported that at present, the LHAP lists these liens as forgivable after 15 years. If a homeowner sells the property or becomes noncompliant before these 15 years are up, the total amount due must be paid. If the homeowner dies, any heirs who meet program requirements can assume the remaining time. She explained that she recently addressed the existence of “forever loans” with the City Commission to request that these types of loans be set aside if they have met the 15-year affordability period. Chair Orshefsky stated that the Committee can consider this policy further as part of their LHAP revisions.

Chair Orshefsky continued that a document called the City of Fort Lauderdale Affordable Housing Policy is intended to assist local leaders in discussing the modern

realities of the affordable housing market. Ms. Wilkinson explained that this document was created at the same time as a City-wide economic analysis study conducted by Florida International University (FIU) in 2015. Chair Orshefsky requested that the Committee members review this policy and determine if it is consistent with current goals.

IV. NEW BUSINESS

None.

V. AGENDA TOPICS FOR NEXT MEETING

It was noted that the Committee would discuss the draft Ordinance in depth at the February 2018 meeting.

VI. GOOD OF THE ORDER

None.

VII. NEXT SCHEDULED MEETING DATE – February 12, 2018 – City Commission Chambers

VIII. ADJOURNMENT

There being no further business to come before the Committee at this time, the meeting was adjourned at 10:21 a.m.

Any written public comments made 48 hours prior to the meeting regarding items discussed during the proceedings have been attached hereto.

[Minutes prepared by K. McGuire, Prototype, Inc.]