



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, APRIL 9, 2018 – 9:00 A.M.

<u>Committee Members</u>		<u>Attendance – July 2017 through June 2018</u>	
		<u>Present</u>	<u>Absent</u>
Debbie Orshefsky, Chair	P	8	1
Roosevelt Walters, Vice Chair	P	9	0
Wilson Atkinson	A	5	4
Peter Cooper	P	8	1
Fran Epstein	P	8	1
Skeet Jernigan	A	4	5
Donnalee Minot	A	6	3
Edwin Parke (dep. 9:55)	P	8	1
Mitchell Rosenstein	P	8	1
Brandon Stewart (arr. 9:03)	P	8	1

At this time, there are 10 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 QUORUM

Chair Orshefsky called the meeting to order at 9:00 a.m. Roll was called and it was noted a quorum was present.

II. APPROVAL OF MINUTES – MARCH 12, 2018

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

III. OLD BUSINESS

- **Discussion of 2018 AHAC Affordable Housing Incentive Report**

Chair Orshefsky requested an update from Vice Chair Walters regarding a recent City Commission meeting at which the new Commissioners were seated. Vice Chair Walters explained that the subject of a workshop between the Committee and the City Commission was raised. At least two Commissioners spoke in favor of scheduling a workshop. He noted that the Committee hopes to secure 15% of the revenue from the sale of City-owned commercial properties, as well as 100% of the revenue from residential properties, for the Affordable Housing Trust Fund.

Mr. Stewart arrived at 9:03 a.m.

Vice Chair Walters encouraged the Committee members to reach out to their respective Commissioners so they will have an idea, at the time of the workshop, of what the Commission might be willing to support. He also emphasized the importance of presenting the Commission with a solid recommendation for what the Committee wants to achieve and why.

Chair Orshefsky noted that the Committee is asked to review and revise the Affordable Housing Advisory Committee (AHAC) Report by June or July 2018. The report includes a list of aspirational performance measures, but does not establish quantitative goals, such as the establishment of a certain number of affordable housing units in the City within a set time frame. The Committee can help the City Commission set a measurable goal for the creation of affordable housing. This goal can also be part of the AHAC Report.

Mr. Rosenstein advised that when developers think of local subsidies, they consider how much support will be needed to change the sources and uses of a proposed development from infeasible to feasible. This answer varies by development, size, location, and density, among other considerations. He added that if a developer can secure 9% in tax credits from the state, s/he will need less in additional subsidies from local governments.

Another consideration is bond development, which provides 4% tax credits rather than 9%; however, without the 9% subsidy, this gap must be made up by other types of subsidies. He noted that Miami-Dade County in particular is able to put these additional subsidies together so a project is financially feasible. Possible incentives include free land or incentivized nonprofits or other agencies who contribute properties they own toward development.

Vice Chair Walters recalled that the City Commission would like the Committee to look again at possible incentives such as inclusionary zoning, density bonuses, payment in lieu programs, and impact fee waivers.

Mr. Rosenstein addressed density bonuses, explaining that if an affordable housing developer is competing with a market rate developer, s/he must pay the same prices as

the market rate developer; however, if a density bonus is attached to encourage affordable housing, the developer can build a number of additional units which are not available to the market rate developer. This lowers his/her average land price and makes the free market more competitive.

Chair Orshefsky recalled that at the March meeting, the Committee reviewed and cited several different tools listed in the AHAC Report. Most of these tools are available in most zoning districts throughout the City: for example, the Northwest Regional Activity Center (RAC) has density bonuses built in for affordable housing. However, this and other tools have not been sufficiently helpful in the past. She added that the Committee has not given direction to the City Commission on how the money in the Affordable Housing Trust Fund should be spent on a per-unit basis to facilitate affordable housing, rehabilitation, or development. The Commission is already into its budget cycle, and there is no line item for contributions toward affordable housing.

Mr. Parke asked if the Committee should consider increasing density, impact, or other fees. Chair Orshefsky explained that most impact fees in Fort Lauderdale are County fees, and the County offers a waiver process for affordable housing. The County plans to discuss potential private sector initiatives. It is not yet known how much funding is needed to create a meaningful affordable housing program in Fort Lauderdale.

Mr. Cooper asked if 15% of the value of the City's commercial properties has been determined. Ms. Wilkinson advised that she has requested this amount in the past and will ask again for an estimate.

Chair Orshefsky recommended that Committee member Skeet Jernigan be asked to provide information on inclusionary zoning, as he is active in discussions of this issue in Palm Beach County. She also advised that a representative of the Department of Sustainable Development be invited to the May meeting to explain different inclusionary zoning techniques.

Mr. Rosenstein suggested developing a framework or matrix by which the City could see how much funding would make a significant difference in the development of affordable housing. The matrix would include acquisition, new construction, rehabilitation, and different types of developments, including single- and multi-family units. It would show the cost of developing each of these types of structures, as well as the amount of subsidy required to make the development work. He concluded that he would continue to work on this item and provide it to Ms. Wilkinson's office in advance of the next meeting.

Vice Chair Walters pointed out that any percentage of the sale of City-owned properties would be based on the net value rather than on the cost of the land itself. This makes it more difficult to assign value to the City's parcels, as it is not yet known what someone might pay to purchase it. Chair Orshefsky noted that the real estate company in charge

of City properties knows the value of each parcel, as they are actively marketing the properties for sale.

Chair Orshefsky requested that Staff provide information on when the Committee should communicate with the City Manager's Office regarding the amount needed for a line item in the City budget. The source of these funds would ultimately be left up to the City Commission. It was determined that the majority of the Committee members preferred to prioritize the creation of multi-family units rather than creation and rehabilitation of single-family homes.

Chair Orshefsky asked what portion of State Housing Initiative Partnership (SHIP) funds are required to be spent on single- or multi-family development or rental versus home ownership. Ms. Wilkinson replied that this is left to the discretion of the Committee; however, SHIP sets aside a maximum amount that can be spent toward some goals. This amount can be captured through rehabilitation, as this is an option for individuals who own their homes. The only set amount is the 20% mandate for individuals with special needs.

Chair Orshefsky commented that while the Committee's priority might be multi-family units, they will not forget about other options such as rehabilitation and single-family ownership. She added that she is committed to restructuring the existing loan program to try to recapture some of the dollars spent toward projects such as single-family rehabilitation rather than forgive the loans.

Ms. Wilkinson explained that at present, there are approximately 15 homeowners awaiting the use of SHIP funds to rehabilitate their homes. Each year, 65% of SHIP funds must be spent on home ownership activities, and 75% of these dollars must be spent on construction activity. SHIP funds are used solely to fund rehabilitation.

Chair Orshefsky asked if there was consensus from the Committee to consider revisiting the loan program and recommending recapture of funds. Vice Chair Walters cautioned that some individuals benefiting from the program will not be able to repay their loans, and spoke in favor of an income verification element to ensure these homeowners are not required to repay the funds if they cannot afford it. Ms. Wilkinson clarified that this would fall under the Local Housing Assistance Program (LHAP) rather than the AHAC Report.

Mr. Parke left the meeting at 9:55 a.m.

Vice Chair Walters asked if the requested portion of revenue from the sale of City-owned commercial properties would be used toward new construction, rehabilitation, or another priority. Chair Orshefsky advised that for multi-family and rental development, the matrix Mr. Rosenstein has agreed to prepare could provide a clearer understanding of a meaningful per-unit contribution toward different types of affordable housing

construction. This would allow the City to determine how much money they want to spend on a per-unit basis.

Mr. Stewart pointed out that the same creative incentives used by counties such as Miami-Dade are also options for Fort Lauderdale. Mr. Rosenstein replied that in theory, the City has created similar incentives, such as density bonuses; however, there are major differences, such as the higher cost of land in Fort Lauderdale and the availability of more developable land with appropriate zoning in Miami-Dade County. Another significant difference is Miami-Dade County's surtax program, which generates funding that stays within the County and provides a large amount of money that can be redeployed as loans to generate new affordable housing development.

Ms. Wilkinson emphasized that the City of Fort Lauderdale is not able to give away its land due to requirements in its Charter. Mr. Rosenstein requested that the Committee see this documentation.

Mr. Cooper asked if the Committee should be prepared to explain why they would prioritize one type of affordable housing over another. Chair Orshefsky replied that most discussions of affordable housing recognize that creating multi-family units is the best way to build an employee base among cost-burdened individuals/families. A product offered for sale requires a different discussion of options, which the Committee has not yet fully explored.

Ms. Wilkinson stated that there is a need for both affordable rental units and single-family homes, pointing out that affordable rentals more typically serve families while rehabilitation of single-family homes often benefits elderly homeowners. Mr. Rosenstein felt this demographic difference should be a secondary aspect of the discussion.

IV. NEW BUSINESS

- **Joint Meeting with City Commission**

Chair Orshefsky asked if there has been feedback regarding the timing of the proposed joint meeting. Ms. Wilkinson replied that the City Commission is currently working to plan this meeting and she would provide the members with information as soon as it is available. Chair Orshefsky proposed that June may be the best month in which to address the Commission, as the draft AHAC Report will be available by that time for discussion. This will also allow the City Commission to determine how many affordable units they would like to be able to fund.

Ms. Wilkinson added that the Affordable Housing Trust Fund Policies and Procedures will also be available for discussion at the joint meeting. The final draft of this document will be sent to the members when it is available.

Chair Orshefsky noted that it will be important to review the AHAC Report and identify strategies the City has previously used to address affordable housing. Ms. Wilkinson emphasized the importance of using the report to educate the Commission.

- **Monthly Report on Amount in City Affordable Housing Trust Fund**

Chair Orshefsky pointed out that the previous month's balance of the Affordable Housing Trust Fund came to roughly \$702,000, while the current total is roughly \$743,000. Ms. Wilkinson explained that this addition came to the sale of a City-owned residential property.

Chair Orshefsky continued that the City Commission should also understand how much of the existing single-family housing in Fort Lauderdale is currently substandard. She advised that this information might help the Committee and the City Commission to understand how a meaningful contribution would help rehabilitate a greater number of houses each year. Ms. Wilkinson noted that the Department of Urban Design and Planning is scheduling a special meeting to address affordable housing, and she will provide the Committee with information from this meeting.

V. AGENDA TOPICS FOR NEXT MEETING

Ms. Epstein requested that minutes of the previous month's meeting be sent to the members at an earlier time in the interim between meetings.

VI. GOOD OF THE ORDER

None.

VII. NEXT SCHEDULED MEETING DATE – May 14, City Commission Chambers

VIII. ADJOURNMENT

There being no further business to come before the Committee at this time, the meeting was adjourned at 10:17 a.m.

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