



CITY OF FORT LAUDERDALE

**Approved**

**AFFORDABLE HOUSING ADVISORY COMMITTEE  
MEETING MINUTES**

**CITY OF FORT LAUDERDALE  
100 NORTH ANDREWS AVENUE  
CITY COMMISSION CHAMBERS**

**7th FLOOR CONFERENCE ROOM**

**MONDAY, NOVEMBER 26, 2018 – 9:00 A.M.**

<b>Committee Members</b>		<b>Attendance – July 2017 through October 2018</b>	
		<b>Present</b>	<b>Absent</b>
Debbie Orshefsky, Chair	P	15	1
Roosevelt Walters, Vice Chair	P	16	0
Peter Cooper	P	15	1
Frances Epstein	A	12	3
Donnalee Minott	A	12	4
Edwin Parke	P	2	1
Mitchell Rosenstein	P	15	1
Brandon Stewart	A	14	2
Nancy Daley	P	4	2
Margi Northard	P	4	1
Skeet Jernigan	P	1	0

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

**Staff**

- Avis Wilkinson, Housing Programs Administrator/Staff Liaison
- Adam Schnell, Urban Design and Planning
- Lorraine Tappen, Urban Design and Planning
- Akilah Grant, Senior Accounting Clerk
- Chris Cooper, Deputy Director, Department of Sustainable Development
- Rachel Williams, Housing and Community Development Manager
- Ella Parker, Urban Design and Planning Manager
- Jim Hetzel, Urban Design and Planning
- Jamie Opperlee, Recording Secretary, Prototype, Inc.

**Communication to the City Commission – None.**

**I. ROLL CALL / DETERMINATION OF QUORUM**

Chair Orshefsky called the meeting to order at 9:10 a.m. Roll was called and it was noted that a quorum was present.

Chair Orshefsky advised that passwords for the City web email addresses have expired and can only be set up by the Administrator.

Ms. Wilkinson requested that anyone who cannot access their City email contact her so IT can be made aware of the situation.

Chair Orshefsky requested that Ms. Wilkinson ask IT to authorize Committee members to set their new passwords because this will happen every 90 days.

## **II. APPROVAL OF MINUTES – October 15, 2018**

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

## **III. OLD BUSINESS**

- **Affordable Housing Trust Fund Policy**

Chair Orshefsky advised that this is done and moving forward.

- **Homelessness**

Ms. Wilkinson stated that this was briefly discussed.

Chair Orshefsky heard that plans to reclaim the County deal with encampment outside the library would be implemented in early December.

Ms. Northard mentioned that there are many issues; perhaps additional information could be provided. Ms. Northard suggested deferring this item to the next meeting.

- **New Local Housing Assistance Plan for 2019-2020, 2020-2021 & 2021-2022**

Ms. Wilkinson advised that there is a new draft for a different time period and paper copies were distributed.

Chair Orshefsky mentioned the last plan regarding multi-family and the creation of new multi-family rentals. It is clear in the market place that affordable multi-family rentals are desperately needed; however, there is not a strong policy statement about that in the LHAP. The Committee pushed six recommendations in the Affordable Housing Advisory Committee Incentive Report, which already went to the Commission, were approved, and are moving forward. Chair Orshefsky was not aware of changes that need to be made in the LHAP to do the things this Committee wants to do.

Ms. Wilkinson indicated that basic strategies were added. There is a list of items that are set to both strategies. If any strategies are thought of, there will have to be details. A template has been created with the basic things, so the new draft should be compared to the old draft. The new proposed draft has a list of what SHIP gives for applicable strategies. The key is that this is a roadmap for what is going to work, and this Committee needs to make sure this is going to work for the community. Committee members are welcome to email any feedback or bring comments to the next meeting.

Chair Orshefsky referenced Page 12, Item D, where it says, "There is a maximum award of \$1,000 for developments" and questioned if that was a typo; it should be \$5,000.

Ms. Wilkinson clarified that is a typo and should be \$5,000.

Chair Orshefsky requested that this draft document be sent to all the Committee members in Word so edits could be made.

Ms. Wilkinson requested that any changes be provided three days ahead of time.

Chair Orshefsky believed this was important and told the Committee to think about how this is used as a statutory matter; it is just checking boxes.

Ms. Wilkinson advised that strategies listed are strategies that SHIP money can be used for, so it is more than checking boxes; details must be listed. The Committee for the Affordable Housing Finance Corporation will read each strategy to make sure it is logical.

Mr. Jernigan referenced Page 12, Item D of the new draft, and noted that the maximum award was \$10,000 for developments with five units or less. The old draft said the maximum award was \$20,000 per unit, up to four units. Mr. Jernigan questioned when the decision was made to reduce the maximum award.

Chair Orshefsky commented that the amount should be blank. Chair Orshefsky stated that the exercise is a statutory requirement, but this Committee spends months working on the AHAC report. Committee members need to think about what aspects of the Affordable Housing Advisory Committee report need to be incorporated into the LHAC report to make the most use of the recommendations and incentives. These are two separate documents and the key question is, "Why hasn't the AHAC report been incorporated into the LHAP?" Currently there is an expectation of SHIP dollars coming to the City of approximately \$200,000; however, this is a three-year plan. Chair Orshefsky questioned if it was permissible to talk about percentages instead of about hard dollars in these sections. A certain amount of SHIP money would go towards

rehab, reconstruction, and new ownership and a certain percentage would go towards encouraging and incentivizing rental housing and multi-family. That would be a huge policy decision that this Committee needs to make and take to the Commission.

Mr. Jernigan mentioned tax money generated in Fort Lauderdale and questioned if those numbers were known.

Chair Orshefsky indicated that the City of Fort Lauderdale sent \$68 million to the Sadowsky Fund last year and about \$8 million was received, which was distributed throughout all the Cities. That could be changing, so instead of locking into some specific amount based upon the dollars received today, there should be thought about whether these are percentage based.

Ms. Wilkinson advised that the final decision would be from the Affordable Housing Finance Corporation. If what is sent is not acceptable it must be changed.

Chair Orshefsky suggested checking with the Affordable Housing Finance Corporation to see if percentages are permissible.

Ms. Wilkinson stated that there are set asides; therefore, ownership and construction have to be met. A lot of the incentives this Committee came up with will be under the LHAP incentive strategies, but none were placed there. Page 14 was referenced and it was noted that only two incentives were put there because they were mandated, others could be added. Ms. Wilkinson was looking for direction from the Committee as to what should be added. The key is keeping the set asides in place.

Mr. Rosenstein recalled a lot more dollars to work with when this report was done. In looking at these numbers, he questioned what percentage the dollars represent. Mr. Rosenstein questioned the State's minimum allocation as a percent of total SHIP funds.

Ms. Wilkinson mentioned Page 25 of the previous report and noted that over \$1 million was used. The hope is that the next distribution would be higher. The lower amount does not have to be used, the previous amount could be used, which would be logical. As far as allocation, the Committee must come up with what allocation is going to be used; she did not suggest using the \$234,000. Ms. Wilkinson advised that she would write out the set asides and reiterated that anyone who has not been receiving emails through their new email address should email her immediately so that can be taken care of.

Mr. Cooper questioned if Ms. Wilkinson felt that these were realistic percentage based on the previous report.

Ms. Wilkinson stated that it was kept simple. The statute requires 75% of total distribution for home ownership and 65% of that whole distribution must be used for construction. There is 20% for special means that falls within either one of those. Ms. Wilkinson finds the program income useful because there is flexibility and the money can be used for anything.

Mr. Rosenstein requested that the requirement be shown with backup.

Ms. Wilkinson advised that she would send a copy of the SHIP set-aside requirements and noted that the State's requirement is in the statute.

Chair Orshefsky believed having meetings in conference rooms rather than in the City Commission Chambers would be a more productive setting and requested that future meetings be held in one of the conference rooms.

Ms. Wilkinson stated that she would do her best to accommodate the Committee's wishes.

- **Affordable Housing Trust Fund current balance**

Ms. Wilkinson advised that the balance for the Trust Fund is currently \$766,982.63.

#### **IV. NEW BUSINESS**

- **2019 AHAC Meeting Dates**

Chair Orshefsky indicated that a schedule was circulated for the 2019 meetings and it was agreed that the meetings need to be rescheduled to 9:00 a.m. to 11:00 a.m.

**Motion** made by Vice Chair Walters, seconded by Mr. Jernigan, to approve the 2019 meeting dates. In a voice vote, the **motion** passed unanimously.

- **Urban Planning and Design's discussion of Housing Recommendations and Introduction of TOD Grant Consultant Team**

Adam Schnell, with the Urban Design and Planning, provided a Power Point presentation regarding Affordable Housing and Inclusionary Zoning. AHAC recommendations would be mentioned and affordability would be defined. Inclusionary Zoning policies would be discussed as well as Affordable Housing Trust Fund recommendations and next steps.

Chair Orshefsky requested that Mr. Schnell email Ms. Wilkinson with the City's policies on applying Affordable Housing units and the County's current policy, which may be changing. The City's application may be more draconian than the County's application. Vice Chair Walters mentioned the 10,999 flex units and the 1,901 Affordable Housing units and questioned if they are in the City of Fort Lauderdale.

Mr. Schnell clarified that the units are in the City of Fort Lauderdale. A developer must apply for those units and adhere to certain County requirements to receive those units.

Mr. Jernigan wanted to ensure that the decision about various policies on how that program is going to work comes before this Committee for discussion before staff commits to things on paper. Mr. Jernigan mentioned that the project for County units must be 50% Affordable Housing.

Chair Orshefsky indicated that one of the tools the County created in Broward Next are redevelopment units. It was believed that all the flex units had to be used before getting to the redevelopment units, but it is also a percentage of the number of units. More units do not need to be added to the plan because 3% of some of the units are redevelopment units, which the City must ask for, it is not a process.

Mr. Schnell continued with the Power Point presentation regarding rent limits and median family income. The focus may be on 60%, 80% and 100% and not the 120% because it is a little high.

Ms. Northard questioned the basis for focusing on Workforce Housing.

Mr. Schnell advised that there is a need in the City for Workforce Housing; it also strikes a balance between developers and the community. Focus is on Workforce Housing for the Inclusionary Zoning policy and that is why there is also a focus on the 60% level. Based upon on their analysis, 120% is currently at market, so that needs to be adjusted.

Chair Orshefsky questioned if a market analysis was done to vet these numbers in terms of dropping the 120%.

Mr. Schnell stated that average rents Citywide are approximately \$1,500 for a one-bedroom, a little over \$2,000 for two bedrooms, and \$2,500 for three bedrooms.

Ms. Northard questioned if there was a way to determine what the needs are.

Mr. Schnell indicated that data from 2012-2106 was reviewed and based upon on the need analysis, it is a little lower than what is provided and that is why it should be lowered to the 60% level.

Ms. Daley questioned if this Committee was only going to be dealing with Workforce Housing or if they would be going down the spectrum. Ms. Daley previously requested numbers and would like to see what percentage for the need for Affordable Housing is in every sector.

Mr. Schnell stated that was up to the Committee, but for the Inclusionary Zoning aspect, Workforce Housing is the focus. Mr. Schnell did not have a need analysis.

Chair Orshefsky advised that there is a specific policy, procedure and formula under the Broward County Land Use Plan that was very heavily debated.

Mr. Schnell mentioned that a need analysis was conducted based upon those Federal requirements.

Chair Orshefsky indicated that the Committee would like to see that analysis. Chair Orshefsky stated that in terms of the Inclusionary Zoning policy, staff appears to be recommending that the policy should apply to the 60% to 120%. The 60% and below is much of the SHIP that is discussed routinely and is within the normal course of this Committee's work as the Affordable Housing Advisory Committee.

Ms. Northard believed the question was why below 60% was being excluded from the proposed Inclusionary Zoning program.

Chair Orshefsky indicated that there are Federal programs and tax credit programs, as well as other programs available for individuals earning 60% or below. There are no tax credit programs for anything above 60%.

Mr. Rosenstein stated that historically, tax credits have been 60% and below and there has not been a tax credit subsidy for anything above 60%. The IRS recently adopted income averaging policies, which would let them run up to 80% AMI, but only a portion of units could go up to 80% income in rents. There is no dedicated Federal program for 80% to 100% or 80% to 120%. Basically, the tax credit program for new developments and non-existing developments was expanded to allow for units rented up to 80% AMI. There is no dedicated source of funds yet.

Ms. Northard commented that 80% to 120% is similar to market.

Mr. Schnell indicated that was correct, but they have to project out, things will not always stay constant. As rents increase there will be a larger differential. Another reason for focusing on 60% to 100% was because the differential is so large. If financial incentives are not created within the City, the developers are being asked to fulfill a lot of money.

Mr. Cooper questioned how many families fall within this parameter being considered.

Mr. Schnell advised that about 36% of all households are encompassed within a municipality, but need analysis wise, is between 50% and 60%.

Vice Chair Walters commented that even if this Committee knew the exact number it is unknown where the people are.

Ms. Tappen indicated that Kittelson and Associates is the consultant for the TOD study; a marketing and needs analysis is being prepared and they will be coming back to this Committee next month.

Mr. Schnell believed that most impoverished people currently reside in the northwest RAC. This policy focuses on Citywide efforts to distribute Affordable Housing throughout the City. As stated earlier, there are approximately 5,000 units left in the northwest RAC, meaning that area is not eligible for years to have any Affordable Housing built under this program. The focus would be everywhere else in the City on the major corridors and Downtown.

Mr. Schnell continued with the Power Point presentation regarding people per household. Internal discussion would be needed to determine numbers for the RAC versus sale.

Mr. Rosenstein questioned how many people per bedroom are in Workforce Housing units. Mr. Rosenstein believed it is 1.5 people per bedroom for rentals.

Mr. Schnell advised that HUD standards say approximately two per bedroom. There was a press release that said there could be up to two people per bedroom, but that is situational. A household of four individuals could rent a three-bedroom, meaning it would be far less than 30% of their income going towards housing costs.

Ms. Northard requested a copy of this literature.

Chair Orshefsky noted that literature could be provided to Ms. Wilkinson so it could be distributed to Committee members.

Mr. Schnell continued the Power Point presentation regarding set aside requirements and deed restrictions. A National Nexus study is needed for the payment in lieu of. Based upon discussions with Ralph Stone, with Broward County, the County is completing a study that can potentially be utilized for the City, which would set an amount that is somewhat equitable for payment in lieu of.

Chair Orshefsky suggested checking with Mr. Stone. The County is looking at the payment in lieu of as a linkage fee approach, which would affect residential, new development, and on-residential. Their analysis of amount per unit may be calculated for a different purpose.

Mr. Schnell advised that it would be determined if adjustments were needed. They may have to create their own study.

Chair Orshefsky questioned the basis for figuring out what an appropriate amount would be to burden a residential developer when calculating the payment in lieu.

Mr. Schnell stated it would be the price for square footage for building an actual unit.

Mr. Jernigan believed that was the wrong approach. The need for providing Affordable Housing is a community-wide need and the community needs to find a way to participate in the process, not just the builder of the house. It is not logical or financially feasible to expect developers to be the 100% respondent to providing Affordable Housing. The point is that the analysis should be made based on what is needed to provide a unit; the development would be responsible for a certain percentage and the rest would be found elsewhere in the community.

Mr. Schnell mentioned how some of these costs are offset so it is not as large of a hit to the development community. It was noted that there are potential financial and zoning offsets; zoning text amendments and financial incentives. Setbacks and height reduction are somewhat hard to implement in particular areas. The City has already adopted a parking reduction for Affordable Housing units, which is a one for one reduction per unit provided. Expedited review processes are being considered, which would lower costs as well as quicken the review process. As far as financial incentives, there is automatically a decrease in property taxes. A tax increment financing area was set up and if the City has a mechanism for doing so it could be mimicked. Utilizing money from the Affordable Housing Trust Fund to offset development costs or support other programs; maybe the payment in lieu of could go to help funding the Affordable Housing Trust Fund.

Vice Chair Walters expressed concern about the County not going into the Affordable Housing Trust Fund, but it was stated at their Workshop that Cities who have a Trust Fund must participate in their Trust Fund. Vice Chair Walters questioned how that was going to work.

Mr. Schnell stated that he would investigate.

Chair Orshefsky indicated that currently there is no funding for the County's Affordable Housing Trust Fund that just passed. Through discussions heard, the County is looking at a minor increase in millage that could be put directly into the Affordable Housing Trust Fund. Until the County knows what their funding sources are, it is unclear how that would affect what is being done. Chair Orshefsky suggested having Ralph Stone, Executive Director of the Housing Finance Authority of Broward County, come to a meeting to explain what direction the County is going.

Mr. Rosenstein agreed that what the County is doing must be known before making any decisions about an additional funding source for the Trust Fund. Mr. Rosenstein questioned how much research has been done on decreasing property tax assessments.

Mr. Schnell advised that another group is looking into the financial incentives for the City. An inquiry has been made and Mr. Schnell is awaiting a response from the City.

Mr. Rosenstein indicated that there is currently a statute that applies to Affordable Housing, but it specifically references tax credits. There might need to be a statutory amendment to include Workforce Housing and not just Tax Credit Housing.

Mr. Schnell stated that things could be taken from the Inclusionary Zoning and applied throughout the City for all other Affordable Housing efforts.

Chair Orshefsky advised that in terms of what this Committee does, the framework is sent for implementation of zoning text amendments. That has been communicated to the City Commission and staff is already incorporating some of that. The parking reduction has already occurred and the other elements will come as part of all these exercises.

Ms. Wilkinson indicated that they must be adopted and implemented prior to proceeding. As mentioned, for the SHIP program there are only two that are mandated, one is the expedited review and the other is an ongoing review of the City's different plans.

Chair Orshefsky commented that the LHAP report must be discussed, as a graph must be given to staff by December. The tax increment financing incentive was mentioned and Chair Orshefsky questioned if that was outside of a CRA setting.

Mr. Schnell stated that another tax increment financing district could be implemented.

Chair Orshefsky suggested talking to the City Attorney's office regarding if that could be done under Florida Law without County consent.

Mr. Schnell continued with the Power Point presentation and noted that the other topics could be done in one meeting.

Chair Orshefsky noted that Item 6 has been done. The majority of the sites owned by the City that have any substantial size are next to the airport and are not permitted. Ms. Wilkinson circulated a list with everything that was more than two acres and none of them were meaningful. Ms. Wilkinson can forward that information.

Ms. Parker mentioned that perhaps the Committee would entertain the government's new Opportunity Zone program since the CRA is going away.

Chair Orshefsky believed that the only people who make money in an Opportunity Zone are the fund managers.

Mr. Jernigan mentioned small development at 10% and large development at 15% set aside and noted that no one has ever attempted to split the size of developments. Everyone across the board is 10%; 15% seems to get a little too burdensome for the developer, especially for market rate purchase homes, not so much for rentals. Mr. Jernigan thought it would be detrimental to the construction of for sale single-family units.

Mr. Schnell stated that nationally, 15% is not high. It was believed that 10% was too low, 20% was too high and 15% was good. That policy is needed because it may go condo in the future. Once a rental building is converted into a condo there must be a policy in place for selling the units because they might decide to sell the building.

Ms. Northard questioned how the proposed policy differentiates from the new City of Miami policy in terms of percentages.

Mr. Schnell stated that this policy is geared towards the needs of the City of Fort Lauderdale. During a meeting last week, it was noted that the land cost in the City of

Fort Lauderdale was half of Miami land costs. Mr. Schnell stated that a comparison to percentages and overall land area could be done.

Ms. Parker commented that the TOD consultant was coming to the next meeting and questioned if Ralph Stone should come to the following meeting.

Chair Orshefsky suggested giving Mr. Stone time to deliver a program to fund the Affordable Housing.

Ms. Williams piggybacked on the parking reduction and stated that the ordinance was on the next Commission agenda.

**V. AGENDA TOPICS FOR NEXT MEETING – None.**

**VI. GOOD OF THE ORDER – None.**

**VII. NEXT SCHEDULED MEETING DATE – December 10, 2018 - City Commission Chambers**

**VIII. ADJOURNMENT**

There being no further business to come before the Committee at this time, the meeting was adjourned at 10:38 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 C. Guifarro, Prototype, Inc.]