

- **Review of 2019 CHDO RFPs from Fort Lauderdale CDC & H.O.M.E.S. Inc.**

Pamela Adams, Executive Director of Fort Lauderdale Community Development Corporation (CDC), showed a PowerPoint presentation on the organization, which promotes economic development and advocates for affordable housing. In response to the request for proposal (RFP), they reviewed their existing real estate inventory to determine which assets provide the best extension of resources for affordable housing. Fort Lauderdale CDC also held a community design workshop that allowed residents, community partners, and stakeholders to identify the housing solutions they would like to see in the community. The proposed projects are based on these results.

Ms. Adams explained that when a project is sold to eligible first-time home buyers, the proceeds of the transaction come back to the organization so those funds may be used for additional investments in affordable and workforce housing. Three projects are included in the current application:

- Converting an older house to a model example of solar living
- Purchase four lots owned by the Northwest Community Redevelopment Agency (CRA) and build four single-family homes
- Creation of a new multi-family property on NW 10 Terrace

The solar project would install solar panels and energy-efficient appliances in partnership with Savior Solar. The subject property was purchased with Community Housing Development Organization (CHDO) funds in the early 2000s and provides an opportunity for its residents to live in an energy-efficient home.

The benefits of purchasing four CRA-owned lots would add to a street on which there are currently only three modern single-family homes. Other properties on the street are duplexes and triplexes from the 1950s and 1960s, and existing vacant lots contribute to blight in the area. The construction of new single-family homes would bring investment, economic development, and families to the surrounding community.

The CDC currently owns six units in two buildings on NW 10 Terrace. The proposed project would purchase a lot adjacent to these properties, demolish the two existing units, and increase the overall inventory of affordable housing on that street, providing energy-efficient and Code-compliant units.

Ms. Adams emphasized the community-driven nature of the plans, explaining that CDC regularly engages with the surrounding community and receives comments from nearby residents. She pointed out that residents of Northwest Fort Lauderdale have requested more single-family development in that area. CDC has an inclusive approach and brings experience to the development process.

The Committee discussed the proposal, with Ms. Adams further clarifying that CDC has sufficient funds to purchase the adjacent lots in the third project: the funds requested in the RFP could instead be used toward “soft costs” associated with the construction of

new units. Dennis Wright, President of Fort Lauderdale CDC, added that the agency does not have a favored project among the three possibilities: their intentions are to work toward all three projects. CDC is willing to spend up to \$25,000 for acquisition of the lot on NW 10 Terrace.

Ms. Adams advised that CDC has never before constructed a multi-family complex, although they have rehabilitated and managed this type of property in the past. The construction loan commitment is sufficiently flexible to allow for the construction of more than six units. CDC architect Kirk Petgrave added that depending upon the square footage, the cost of each unit would be in the range of \$100,000 to \$125,000. Purchase of the adjacent lot is not a necessity for the project, but an opportunity to maximize the amount of units provided. The units will be limited to residents in the very low income category.

Vice Chair Epstein asked how housing inventory is managed by the agency. Ms. Adams replied that CDC partners with a company called Acclaim Property Management, which provides a full-time superintendent to perform inspections, make repairs, and ensure all units are in proper working order.

Chair Stewart referred to the project proposed for the four CRA-owned lots, asking if the agency has begun exploring the possibility of working with the CRA. Ms. Adams stated that while the lots will be available for purchase, the CRA has postponed placing them on the market and will use a competitive bid process for their sale. CDC has other properties with multiple units in the same general area, all of which are rented to families with low and very low incomes.

The Committee next discussed the solar project, which would be located on NW 3 Street. Ledger Kellier, Interim Manager for Solar Savior, explained that this project would rehabilitate an older home by retrofitting it for the use of solar power. Initial costs within the existing footprint are estimated at \$100,000. Providing the added benefits of energy efficiency would make the property more valuable within a tight rental market and provide an opportunity to show other property owners, as well as the City, the benefits of investment in energy efficiency.

Mr. Kellier continued that the property has been designed so its electrical and water bills would be effectively \$0. In the event of a loss of power, the home would self-sustain using battery power. Savings are estimated at \$125/month. The house is approximately 1142 sq. ft. in size.

Ms. Nothard asked how residents are screened or selected for subject properties. Ms. Adams replied that the property manager oversees this process for rental properties, while Housing Foundation of America addresses the process for home buyers. She added that all projects undertaken by CDC the previous year were completed on schedule. Mr. Kellier noted that the introduction of energy-efficient homes into urban

environments not only increases the residents' quality of life, it provides the opportunity for jobs and job training.

Katherine Barry, President of Housing Opportunities, Mortgage Assistance, and Effective Neighborhood Solutions (H.O.M.E.S.), Inc., explained that the mission of the organization is to provide quality community and economic development programs to lower-income, disadvantaged, and at-risk neighborhoods and residents. At present, their main programs address neighborhood revitalization, affordable housing in partnership with other nonprofit agencies, rental housing, and community gardens.

During the recent recession, H.O.M.E.S., Inc. received grant funds from the City and County for acquisition; however, as this is less feasible in the current market, they hope to make existing units safer for tenants by installing hurricane impact-resistant windows and doors in 26 units across seven buildings. All units are rented to vulnerable individuals who do not have resources to make these improvements themselves. The installation of impact windows and doors would increase the values of the units and make them more energy-efficient.

Ms. Daly asked if any of the properties have hurricane impact-resistant shutters on existing units. Ms. Barry advised that while some of the units had metal shutters when they were purchased, these were stolen from the property. H.O.M.E.S., Inc. is not requesting funds from any outside sources, such as construction loans. Contractors have already submitted proposals for this project and are available to do the work as soon as funds are granted. Tenants would not need to be relocated during the installation processes.

Ms. Nothard requested additional information on the tenants in the subject properties. Ms. Barry replied that many of the tenants are youth aged 18 to 24 who were homeless or have "aged out" of foster care. All of these tenants have jobs or internships and receive financial counseling. Linda Taylor, CEO of H.O.M.E.S., Inc., advised that many of the young tenants are still on the continuum of care through the Broward County Children's Services Council, who provide some of the funds toward their assistance. Other tenants are families with low to moderate incomes who live and work in Broward County.

Chair Stewart requested an overview of some of the renovations planned for units. Ms. Barry stated that these include kitchen and ceiling improvements in addition to the hurricane-resistant improvements, as well as renovations to a single-family home. Many of the properties were constructed before hurricane improvements became standard. All properties are located within the Central City CRA. All tenants' incomes are certified. They have access to a monthly food bank and a teaching kitchen.

The Committee thanked both agencies for their presentations. Ms. Wilkinson advised that she and other members of the City's Department for Development Services have

met to evaluate the RFPs, and the agencies will be notified once a decision has been made.

Ms. Wilkinson continued that when a final decision has been made, Staff will need to create a City Commission Agenda Item stating the recommendations from both City Staff and the Affordable Housing Advisory Committee (AHAC). She reviewed the criteria for the RFP, which include:

- Scope of the project, including costs, location, and target group
- Ability to identify program goals
- Readiness to proceed
- Meeting the requirements of the Consolidated Plan
- Understanding of program guidelines
- Organization experience and past performance
- Leveraging of Home Investment Partnerships Program (HOME) funds with availability of cash

Ms. Wilkinson also specified some of the Consolidated Plan requirements, which included affordable home ownership, rehabilitation of older housing stock, quality affordable housing near public transportation, housing for large families, and affordability for renters.

It was noted that the Committee had not had an opportunity to review all financial information related to the agencies prior to today's presentation. Ms. Wilkinson advised that leveraging and financial/technical capacity must be taken into consideration, as these items are monitored by the U.S. Department of Housing and Urban Development (HUD). She emphasized that only the listed criteria may be used for scoring, although there is space for member comments.

Vice Chair Epstein expressed concern with the leveraging criterion, pointing out that the Committee does not have full access to the agencies' financials and some members may understand these issues more comprehensively than others. Chair Stewart observed that only H.O.M.E.S., Inc. funds will be used toward that agency's project, which means there would be no leveraging of other dollars.

Ms. Nothard commented that although the evaluation information guide does not refer to leveraging of funds, the RFP does include this reference. Mr. Rosen noted that H.O.M.E.S., Inc. defines leverage differently from Fort Lauderdale CDC by focusing on the appraised value of the properties. Ms. Wilkinson read the RFP's definition of leveraging, which is based on rules established by the HOME program: "...a detailed breakdown of total budget and sources of any other revenue that will be used for the proposed project." She added that both agencies were made aware of this definition and the leveraging requirement.

Mr. Parke stated that he was not certain of the accuracy of the costs per square foot provided by Fort Lauderdale CDC. Mr. Rosen observed that the two proposals are

difficult to judge against one another due to their basic differences; however, he felt the cost estimates provided by CDC may be low, and that the proposal by H.O.M.E.S., Inc. may be more executable, although H.O.M.E.S., Inc. has not proposed a leveraging component. He continued that while an organization feels they will be able to secure a construction loan, this does not guarantee their ability to do so.

Ms. Minott asked how the outcomes of the Fort Lauderdale CDC project would be measured. Ms. Wilkinson replied that the evaluations should be based on information presented by both agencies. She also pointed out that roughly \$74,000 of the available CHDO funds must be committed by September 30, 2019.

Ms. Daly noted that the Committee's charge is to increase the amount of affordable housing space available in the Fort Lauderdale community.

Ms. Wilkinson concluded that in the interest of time, the final scoring results would be sent to the Committee members via email.

- **Affordable Housing Trust Fund Balance update**

Ms. Wilkinson advised that the balance of the Affordable Housing Trust Fund remains \$895,483.63. The amount has not changed in a number of months.

IV. NEW BUSINESS

Chair Stewart stated that at a recent City Commission Conference Agenda meeting, the Commission appeared to be receptive to issues raised by the Committee. Ms. Wilkinson encouraged the members to reach out to their appointing Commissioners and share their thoughts regarding affordable housing.

V. AGENDA TOPICS FOR NEXT MEETING

Chair Stewart recalled that Mr. Parke had suggested the Committee include an update from their counterparts at the County level as a standing Agenda Item. Ms. Wilkinson explained that the County's Affordable Housing Advisory Committee does not meet on a regular basis. She would reach out to County Staff to determine if a representative can attend an upcoming Committee meeting.

VI. GOOD OF THE ORDER

New Committee member Phallon Bullard introduced herself at this time.

VII. NEXT SCHEDULED MEETING DATE – July 15, 2019

VIII. ADJOURNMENT

Affordable Housing Advisory Committee

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There being no further business to come before the Committee at this time, the meeting was adjourned at 11:11 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.]