

APPROVED
AFFORDABLE HOUSING ADVISORY COMMITTEE
MIZELL CENTER – 1409 NW 6 STREET
2ND FLOOR AUDITORIUM
MONDAY, FEBRUARY 14, 2011 – 8:00 A.M.

Cumulative Attendance

Committee Members	Attendance	7/10 through 6/11	
		Present	Absent
Janet Riley, Chair	P	6	1
Jonathan Jordan, Vice Chair (8:09)	P	6	1
Margie Alexander	A	6	1
Jason Crush	P	4	2
Bradley Deckelbaum	P	4	3
Peter Henn	P	7	0
Edwin Parke	P	1	1
Brian Poulin	P	6	1
Amanda Spangler	P	4	2
Rebecca Jo Walter	P	4	3
Roosevelt Walters	P	7	0

Staff

Susan Batchelder, Liaison, Housing and Community Development
Angelia Basto, Administrative Aide, Housing and Community Development
Jonathan Brown, Housing and Community Development Manager
Gene Groves, Housing and Community Development Real Estate Officer
Barbara Hartmann, Recording Secretary, Prototype, Inc.

Communications to City Commission

Motion made by Mr. Deckelbaum, seconded by Mr. Walters, requesting the City Commission to instruct staff, particularly the Director of Economic Development, Housing and Community Development Manager, and any other staff member responsible for the disbursement of properties on the surplus property list, to collectively work to look at each property on said list and determine whether or not they are suitable for affordable housing in any form, and recommend that such lots that are suitable for affordable housing be transferred to the appropriate department for that purpose. In a voice vote, the **motion** passed unanimously.

Roll Call

Chair Riley called the meeting to order at 8:06 a.m. Roll was called and it was noted a quorum was present.

Board / Staff Introductions

New member Edwin Parke introduced himself to the Committee. He is a longtime resident of Fort Lauderdale. The Committee and Staff members introduced themselves as well.

Chair Riley noted that the purpose of today's meeting was to prepare their report to the City Commission. Ms. Spangler suggested that they should also define the Committee's purpose, which was done in the previous State Housing Initiatives Partnership (SHIP) report. Mr. Henn noted, however, that the SHIP report included several specific criteria that were incorporated into the report; the Committee, at that time, found that they were lacking in practical, substantive concepts that could be implemented beyond SHIP, which had led for their request to continue to meet. They had then identified the five specific areas to be included as "practical tools" in the current report.

Approval of Minutes – January 24, 2011

Motion made by Mr. Walters, seconded by Ms. Spangler, to approve the minutes of the January 24, 2011 minutes. In a voice vote, the **motion** passed unanimously.

The following Item was taken out of order on the Agenda.

Draft Session on Affordable Housing Plan

Mr. Deckelbaum offered to make recommended changes to the draft document during the discussion.

Mr. Henn provided a handout of his notes on dedicated sources of funding. He explained if dedicated sources of funding are not established, any other suggestions the Committee might make would serve only as a theoretical exercise. Recommendations included the following:

- All development applications with 10 or more residential units shall provide 7.5% of the units at prices that are affordable to low- to moderate-income households;
- Alternatively, these developers could make a payment of \$100,000 per unit to the City's affordable housing trust fund;
- A one-for-one density bonus would apply for affordable housing units provided on-site;
- All projects with 10 or more residential units are entitled to a 10% density bonus if 15% of the units are at prices that are affordable to low- or moderate-income households.

Mr. Henn said these are suggestions that have been used elsewhere as a means to build affordable housing units or gain money in a fund for affordable housing

without using City tax dollars. He felt if specific recommendations such as these were not made, no action would be taken on the Committee's proposals.

Mr. Walters noted that there were different factors involved in this proposal, including the definition of "affordable" and the location and cost of the units. Mr. Henn said the estimate was because he did not feel it was possible to build for less than \$100,000 per unit. He reiterated that the intent was to "get something in front of the Commission so then they ask Staff" to research the possibilities further.

Vice Chair Jordan asked if there was any reason this has not already been done in Fort Lauderdale. Mr. Henn said his opinion was that there was too much lobbying against any such plan. Ms. Walter and Mr. Walters agreed that similar plans been discussed in the past but had never been successfully implemented.

Mr. Deckelbaum asked if any Master Plans for specific areas of the City included plans similar to this one. Ms. Spangler said she believed a density bonus was suggested but was not a requirement.

Ms. Spangler asked Mr. Henn if he would feel comfortable, as a developer, building affordable housing if a density bonus was offered. Mr. Henn said he would not want to pay any more than necessary for a project without an incentive; if a developer pays more money but has more marketable units, he said this would be a win for developers, the City, and affordable housing. He advised that while the development community would come out against the suggestion, it would not have the negative effects they would claim.

Mr. Walters asked if on-site affordable housing units would be built as part of the same complex. Mr. Henn said this could be done 99% of the time; if the units cannot be built as part of the same project, a developer would more likely want to write a check to the fund than to deal with two separate projects.

Mr. Henn continued that another suggestion was a linkage fee, in which all non-residential development, including government facilities, would be required to pay a fee to the City's affordable housing trust fund at the time they obtained a building permit. This would be based on the linkage between the construction of new buildings and the demand for housing by the employees who work in those buildings. He cited the Broward County Courthouse complex as an example of this non-residential development.

Jonathan Brown, Housing and Community Development Manager, asked how the land would be secured to provide off-site units. Mr. Henn reiterated that a developer would be more likely to write a check to the City's affordable housing fund than provide units off-site, as this made it the City's responsibility to work through infill strategies and determine the best site.

Mr. Brown also asked whether workforce housing would be included in the number of units created. Mr. Henn said he had made no distinction in his suggestions for workforce housing, but had included low- to moderate-income housing instead. Workforce housing is generally considered to include a slightly higher income range than low- to moderate-income housing, and the City receives no state or federal funding to assist in workforce housing.

Mr. Walters felt workforce housing should be included in the report as well. Ms. Spangler said current market-rate housing is targeted toward workforce housing, although she noted that this could change. Mr. Walters pointed out that the original document establishing the Committee tasks them with addressing both affordable and workforce housing. Ms. Walter said when the ordinance was passed a second time, it only referred to affordable housing and did not include workforce housing.

Mr. Brown said while this may be the case, an affordable housing plan should not exclude this segment of the population. Ms. Spangler noted that workforce housing can include a family earning up to 120% of the Area Median Income (AMI). Mr. Brown explained that he meant if a density bonus or other incentive is available for affordable housing, developers may be able to include a number of workforce housing units as well.

Mr. Poulin noted that the discussion was an example of how the term “affordable” has not been defined.

Mr. Henn said all the “bonus” housing may not be included on-site, and suggested that half of this bonus housing could become a liquid commodity that could be sold to other developers in a transfer of development rights. He cautioned that no more than half these units should be transferable. Ms. Spangler said this was an opportunity for nonprofits to partner with a for-profit developer, as they could supply the affordable housing component.

Mr. Crush asked how Mr. Henn had arrived at the base percentages listed in his report. Mr. Henn said 15% seems to be the standard, and he had halved this percentage to serve as a “baby step” for the City. Mr. Crush recommended making the 7.5% example a whole number, as 8% would be more easily explained. Ms. Spangler suggested using 10% and 20% instead of 15% and 7.5% for simplicity.

Ms. Walter recommended making a reference to the existing metropolitan center study rather than suggesting another study should be made, as she felt the Committee members had sufficient expertise to proceed without another study being done. Mr. Henn explained that he felt an analysis should be done at the

City level in order to be legally defensible. It was agreed that a statement to this effect would be made instead of a reference to another study.

The members discussed other changes. Mr. Deckelbaum said he had made these changes to the document so they could be implemented in the final draft.

The Committee took a brief break before proceeding with the Agenda.

Surplus Lots – Land Sale Process & Affordable Housing

Mr. Brown explained that he would show the Committee a breakdown of all the affordable housing lots currently owned by the City. These lots included those escheated from the County, purchased with federal funds, and foreclosures that were taken over.

He showed a rendering of the Northwest Neighborhood Improvement District (NWNID), which is the only area within the City where properties can be sold or built and conveyed to an affordable housing applicant. The City's charter prohibits a sale outside this area without a formal bidding process. If a property is owned by the City, it must be conveyed from the City to the NWNID before it can be sold to an affordable housing applicant.

Mr. Brown said Housing and Community Development had begun looking at clusters throughout the City to determine which lots are sufficiently large to build on or which lots can be presented to the City Commission for sale.

He advised that the CRA has expressed interest in some areas, and showed the Committee the properties outside the NWNID that are available for affordable housing "via whatever method the Commission wants to do." He noted that when substantial rehabbing and replacement of properties is necessary, the City will house the families that normally reside in those properties.

He concluded that the purpose of showing these lots to the Committee is to help determine what they would ultimately like to present to the City Commission. Mr. Brown said the City Commission is already targeting two separate neighborhoods for the Neighborhood Stabilization Program (NSP-3). Once they make a final decision on these neighborhoods, Housing and Community Development will show the City Commission the buildable affordable housing lots available in those areas. He advised that these are not all the lots owned by the City, but all the lots available through Housing and Community Development.

Vice Chair Jordan requested information about the lots shown on the diagram that were not identified as affordable housing lots. Mr. Brown said these lots are controlled by other departments. He added that the lots for which Housing and Community Development received federal funds are already beyond the

deadlines by which they are required to do something with these lots; HCD must be sure to use these funds within the necessary time frame.

Vice Chair Jordan asked if there is any single document or source of information that shows all unused City-owned land. Mr. Brown replied that the City Auditor had compiled a list for the City Commission in 2009. Mr. Groves added that the parcels were included on a map of all City properties, including City Hall.

Mr. Deckelbaum asked if anyone from Housing and Community Development had analyzed the full list to determine if there were additional properties suitable for affordable housing, or if there were other properties they would like to see included in the affordable housing pool.

Ms. Spangler commented that almost all affordable housing appears to be "clustered" in the northwest district; if the full list includes other districts, affordable housing could be distributed throughout the City. She noted that not all the properties on the list were suitable for development.

Mr. Brown said some of the properties on the full list were not buildable; the City Commission had given HCD their thoughts on those parcels that could be sold. The surplus process has already begun on these properties.

Ms. Spangler asked what the proceeds from the sale of these parcels are used for. Mr. Brown said for the most part, sales prices for these properties are set at a minimum; if the City does not meet the national objective for building affordable housing, they will go back to the City's Housing and Urban Development (HUD) line of credit. He advised if federal dollars are used to purchase a property, HUD wants either this amount or the current market rate back.

Ms. Spangler observed that this is the first time the City has become ready to take action on these parcels. If a significant piece of the proceeds is put back into affordable housing, it could have a great impact. Mr. Brown said another challenge facing HCD is if the City has lots outside the NWNID, as the only way to secure these lots is through the competitive bid process. They cannot be given to affordable housing, as this would violate the City's charter.

Ms. Walter asked what affordability restrictions would be placed on the properties located in the NWNID. Mr. Brown said HOME dollars would be used to serve individuals who make below 80% of the AMI; non-HOME dollars will probably go toward those making up to 120% of the AMI depending upon what funding is available.

Ms. Walter asked if those parcels that are transferred to other entities would require some type of long-term affordability. Mr. Brown said they would. Ms. Walter asked to know HCD's plans regarding which properties will be kept, which

will be transferred, and the timeline for these. Mr. Brown replied that based upon the amount of available funding over the next couple of years, it will be unlikely that all the lots can be built upon, and HCD should select those that are clustered in an area where they can have an impact.

Ms. Walter asked if there was an overall strategy regarding these homes, such as rentals versus ownership. Mr. Brown said they would probably go toward ownership, although he noted that this would ultimately be up to the City Commission.

Ms. Walter suggested that the City Commission could be educated to understand the difference between ownerships and rentals in these areas, and why rentals may be needed. She said there seemed to be a certain amount of analysis that must be presented to the Commission, whether it is by the Committee or by Staff.

Mr. Brown noted that unless single-family rentals are planned, many of the properties that could support multi-family units are located in an area that has experienced environmental issues. He noted that HCD and the Economic Development Department have had discussions about these properties, but are currently preparing to take them to the City Manager's office for further discussion.

Mr. Walters asked if there are other ways to expand the ability to bring in builders. Mr. Brown said HCD has not entered into any conversations with outside agencies at this time, but they are seeking thoughts and suggestions on how this might be done. He noted that while HCD does not build, they have done some infill housing.

Ms. Spangler asked when HCD would present their plans to the City Commission, as some Committee members might wish to attend and comment. Mr. Brown said HCD will meet with Economic Development again within the next 30 days to finalize a plan; after this meeting and a meeting with the City Manager's Office they will set up a meeting with the City Commission.

He added that NSP-3, the Neighborhood Stabilization Program, will go before the City Commission on February 15; HCD will ask the Commission to finalize which neighborhoods they want to provide funding for, and which programs the Commission wishes to administer. He noted that NSP-3 provides approximately \$2.1 million; most of these funds would go toward acquisition and rehabilitation of property, as well as possibly setting aside funds for demolition.

Ms. Walter asked if the City has determined if funds would go toward home ownership or toward rentals. Mr. Brown said these will go primarily toward home ownership by low-income families; this use is at the City's discretion. He explained if the HCD spends \$100,000 to acquire and rehabilitate a property,

they can assist a home buyer. HUD funds are required to go toward aid for very low-income families, or those making 30-50% AMI. Jurisdictions often use rentals to meet this requirement.

Mr. Deckelbaum suggested that the Committee make a motion instructing Staff to determine which City-owned properties could be used for affordable housing, and what mechanism could be used to transfer these properties to the appropriate authority. Mr. Brown said HCD could do this with the agreement of other departments, as there would be changes to zoning regulations.

Ms. Brown asked how the lots are determined to go to different departments. Mr. Brown said HCD has had the capability of purchasing lots, and the City has made decisions regarding where escheated lots will be allocated. Ms. Walter commented that when these determinations are made, they are not made from the perspective of affordable housing. This could mean there are other properties that are appropriate for this purpose. Mr. Brown advised that HCD must ensure they have sufficient funding to do something with the lots.

Mr. Deckelbaum asked which City representative would be the appropriate person with whom to discuss this issue. Mr. Groves said City Auditor John Herbst and/or Stephen Scott of Economic Development would be two such individuals, but cautioned that there is no single person or department who assigns control of the lots.

Motion made by Mr. Deckelbaum, seconded by Mr. Walters, requesting the City Commission to instruct Staff, particularly the Director of Economic Development, the Director of Housing and Community Development, and any other Staff member responsible for the disbursement of the surplus property list, to collectively work to look at each property on said list and determine whether or not they are suitable for affordable housing in any form, and recommend that such lots that are suitable for affordable housing be transferred to the appropriate department for that purpose.

Ms. Walter suggested any motion or communication include the direction to look at properties outside District 3. Mr. Brown requested clarification of whether the Committee wanted the properties considered for rental, development, or other considerations. Ms. Spangler said the intent was to include "everything" related to affordable housing.

She added that the state has recently passed a requirement that every lot owned by a city should be reviewed to consider what is appropriate for affordable housing. Mr. Brown noted that some lots are not considered buildable, although if they are adjacent to buildable lots they could be combined and therefore suitable for affordable housing.

In a voice vote, the **motion** passed unanimously.

Mr. Brown said HCD would email copies of the map of City-owned lots to the Committee members.

Ms. Spangler asked if the Committee wished to add any other recommendations to the City Commission. Mr. Deckelbaum advised that they simply ensure that affordable housing is considered before the surplus properties are sold or otherwise used. Ms. Walter suggested that they instead include the information given by Mr. Brown in their report. Ms. Spangler agreed that this information could be particularly useful for the category of Infill Strategies. Vice Chair Jordan asked Ms. Spangler to develop her ideas about this and discuss them further at the next meeting.

Draft Session on Affordable Housing Plan

Chair Riley noted that while a great deal of detail is not necessary to the report, she would recommend that it make suggestions that indicate “some kind of urgency,” particularly with regard to the City lots, as changes in the housing market would put the consideration of affordable housing “in a different place.”

Ms. Spangler said she had reviewed the different goals and strategies recommended by the Committee members in their drafts, and had compiled a list of these. She explained that this could be used as an executive summary of the report.

Mr. Brown pointed out that the Planning and Zoning Department should be brought into the discussion, particularly with regard to inclusionary zoning; this would mean any questions or comments this Department might raise could be addressed before the report goes to the City Commission. Mr. Henn said he had sent a copy of the first memo to the Director of Planning and Zoning (Greg Brewton) in March 2010.

Mr. Henn continued that because transit corridors and overlay districts could lead to very detailed conversations, his suggestion was that the Committee make a recommendation for an overlay district. In any area with transit corridors and high employment centers, there should be additional affordable housing opportunities, such as higher density and lower parking requirements, in order to promote affordable housing. This would not change the zoning Code, but would enable more affordable housing in these areas. He said this would make a transit corridor and other areas into “one big very simple thing.” This recommendation would also require the assistance of the Planning and Zoning Department. Mr. Henn concluded that this suggestion could fall under the category of Proximity of New Development.

Mr. Walters asked what major employment centers would qualify for an overlay district in addition to Broward General, Holy Cross, and Imperial Point Hospitals. Other suggestions included Cypress Creek, Andrews Avenue, and the Fort Lauderdale Executive Airport. Ms. Spangler said the Economic Development Department may be able to add to this list. The Committee discussed some of the considerations they would like to see, such as proximity to public transportation or to major transit corridors.

Mr. Henn offered the example of the Dr. Kennedy Homes, stating that this parcel could be given a density bonus and lower parking requirement because it is located on the major corridor of Broward Boulevard. Mr. Deckelbaum noted that steps similar to these were taken a few years ago for workforce housing on Flagler and Andrews Avenues.

Mr. Walters said he did not believe Code would allow the construction of, for example, "three units...[without] two parking spaces." Mr. Henn said this occurs in the Downtown area, although there is some resistance, as neighborhoods do not want to see parking garages or cars parked on the street.

Mr. Parke said with the coming addition of the light rail system, they should not rule out any area as a potential transit corridor. He noted that changes to Highway 595 are also intended.

Ms. Walter said Infill Strategies encompasses a lot of information from the other areas of the report, particularly in reference to fair housing.

Ms. Spangler said she had envisioned that the Committee would include a mission statement listing what they would like to see happen within the City; the separate headings would fall under the category of strategies to accomplish these goals. Ms. Walter noted that the stated mission of the Committee, which was to provide more affordable housing, was too big to list as a goal; however, she proposed that the Committee provide a goal for each category, so they could measure their achievements by a certain time period. Mr. Poulin pointed out that this is not what the Committee has been asked to do at this point. Mr. Parke agreed that the City Commission has a specific vision of what they want from the Committee. Mr. Walters did not agree, and stated that the Committee is supposed to provide the Commission with a vision.

Communications to City Commission

The Committee noted that their communication was stated above.

Other Business

Chair Riley noted that the next meeting is scheduled for March 21, 2011. Mr. Henn asked if the Committee wished to meet at 8:00 a.m. again.

Motion made by Ms. Walter, seconded by Mr. Walters, that the meeting time be changed permanently to 8 o'clock.

Mr. Parke said he did not feel the change should be made permanently, but that the Committee should be "flexible." Chair Riley explained that the meetings required posted notice and could not be changed each time they met.

In a voice vote, the **motion** passed unanimously.

Good of the Order

None.

Adjournment

There being no further business to come before the Committee at this time, the meeting was adjourned at 9:56 a.m.

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