

**APPROVED**  
**AFFORDABLE HOUSING ADVISORY COMMITTEE**  
**MIZELL CENTER – 1409 NW 6 STREET**  
**2<sup>ND</sup> FLOOR AUDITORIUM**  
**TUESDAY, FEBRUARY 14, 2012 – 8:00 A.M.**

**Cumulative Attendance**

<b>Committee Members</b>	<b>Attendance</b>	<b>7/11 through 6/12</b>	
		<b>Present</b>	<b>Absent</b>
Jason Crush, Chair	P	5	1
Bradley Deckelbaum, Vice Chair	P	4	2
Margie Alexander	P	3	3
Peter Henn	P	6	0
Jonathan Jordan	P	5	1
Michelle Klymko	P	4	2
Edwin Parke	P	6	0
Brian Poulin	A	4	2
Janet Riley	P	6	0
Amanda Spangler-Bartle (8:10)	P	5	1
Rebecca Jo Walter	P	4	2
Roosevelt Walters	A	4	2

It was noted that a quorum was present at the meeting.

**Staff**

Diana McDowell, Liaison, Housing and Community Development Division  
Jonathan Brown, Housing and Community Development Manager  
Angelia Basto, Administrative Aide, Housing and Community Development  
Amanda Lebofsky, Recording Secretary, Prototype, Inc.

**Communications to City Commission**

None.

**Roll Call / Determination of Quorum**

Chair Crush called the meeting to order at 8:07 a.m. Roll was called and it was noted a quorum was present.

**Approval of Minutes – January 10, 2012**

**Motion** made by Ms. Walter, seconded by Mr. Parke, to approve the minutes of the January 10, 2012 meeting. In a voice vote, the **motion** passed unanimously.

**Discussion of Goals and Work Plan**

Ms. Riley recalled that she had provided information on affordable housing in Broward County, which had been forwarded to the members through Ms. Basto's office. She added that she had also investigated the success of other cities throughout the country in implementing inclusionary zoning. Ms. Riley noted that she had obtained guidelines and plans for a municipality in Colorado and more information may be forthcoming.

Ms. Spangler-Bartle arrived at 8:10 a.m.

With regard to a County linkage fee study, Ms. Spangler-Bartle reported that this project team had used a breakdown of construction costs associated with different types of housing, such as mid-rise, high-rise, and single-family. The difference in development costs and affordability was determined to be the fee in lieu. She advised that she no longer has access to this data, which was compiled in 2006.

Mr. Jordan asked if the Committee could recommend that the City use its own resources to compile this data, as the Committee has neither funds nor resources. Ms. Walter pointed out that there is no right or wrong figure associated with this information, and suggested providing as much data as possible to the City. She asked if Ms. Riley might be able to provide the hard cost per unit for a particular development; Ms. Walter would provide the total cost per unit, and both figures would be included on the spreadsheet. She advised that a ballpark figure appeared to be consistent with the expenses seen in other cities.

Ms. Walter continued that regarding the set-aside requirement, there is no absolute right or wrong, but whatever the City Commission determines is an appropriate percentage. She noted that this requirement may be based upon cost per household in order to best meet the demand; however, there may be issues with calculating this percentage accurately. She noted that one city requires 50% of all new units developed to be affordable; the lowest percentage she had found was a 6% requirement. She clarified that she was not suggesting a 50% requirement to the Commission, but would instead use this figure to illustrate the demand for affordable units.

The second set-aside requirement is based on household income, and is also a difficult figure to calculate. Ms. Walter advised it could be used to show the need for more affordable housing. Other projections could be calculated using the city's average median income (AMI), or basing the set-aside requirement on the average of other municipalities' set-aside requirements. The average is approximately 10%, and many cities use this arbitrary figure rather than a calculation to meet actual demand.

Mr. Henn recalled that the Committee had recently asked the City Attorney's Office to comment on their framework; this Office had replied that while the

methodology seemed sound, City Staff did not have the ability to follow through and make the necessary calculations. He advised that if the Committee did not do the work for the City, it was not likely to be done at all, and that if the City Commission took action, the set-aside requirement would be at the lowest end of the range of possible percentages.

Mr. Brown said when the State created the Committee, they had requested a membership of individuals who are active in the pertinent industries and could act as experts. He felt the more information the Committee can provide, the better off they would ultimately be. Ms. Spangler-Bartle suggested that when they give the package of information to the City Commission, the Committee should also include letters of support from professionals in the industry who focus on affordable housing.

Ms. Walter commented that many cities seemed to have arbitrarily chosen the 10% requirement. She recommended that more information be provided regarding payments in lieu.

Mr. Parke asked if County data on affordable housing was available. Mr. Brown said he assumed this was available, and it was possible that a County advisory body similar to the AHAC might have been appointed.

Vice Chair Deckelbaum advised that the Committee should provide enough backup material to show that inclusionary zoning would help meet the need for affordable housing. He stated that showing the need of 20%-50% affordable housing would more than justify an arbitrary 10% figure. Mr. Henn recalled that when the Committee last appeared before the City Commission, the justification for affordable housing had not been challenged.

Vice Chair Deckelbaum said he felt the best framework for a payment in lieu percentage was the affordability gap. He felt this was far more important than the cost per unit in making the Committee's point.

Mr. Henn said if the payment in lieu was based on the affordability gap, this could reflect fluctuation in the market value. He advised that the total cost of building a unit will always be higher than the affordability gap. Vice Chair Deckelbaum disagreed, stating that a percentage should be based on the affordability gap rather than the cost.

Mr. Henn pointed out that individuals with very low incomes would not be served by basing the payment in lieu on the affordability gap; it would only supplement the individuals who could be considered workforce housing, as the numbers are averages. Vice Chair Deckelbaum advised that a different schedule would be applied to rental units for very low-income individuals, which would generally require that 1/3 of an individual's income goes toward housing. Chair Crush

commented that the Committee is not focusing on very low income, as the City cannot compete with federal programs designed to help these individuals.

Ms. Walter said regardless of the income level served, it would still cost a specific amount to build a unit, which would encourage developers to make a payment in lieu. Vice Chair Deckelbaum reiterated that he felt hard costs or total costs per unit were "a useless number" in comparison to the affordability gap.

Ms. Spangler-Bartle noted that developers often include contingencies in their budgets; she did not feel the payment in lieu would be cost-prohibitive for this reason, as they could include the figure in the total cost of a given project. Mr. Henn noted that a bonus could theoretically be provided for a developer who complies with the payment in lieu. Chair Crush noted that it would be difficult to rely upon the ability to offer a bonus, unless it is codified that the City must grant a bonus to the developer.

The Committee discussed the different aspects of basing the payment in lieu on hard costs, total costs, or the affordability gap. They briefly discussed the differences in construction costs in recent years from peak to bottom costs.

Mr. Henn commented that no matter what the Committee determined, they would not be able to solve the issue of affordable housing; the result would be a trust fund that would help some, but not all, individuals in need of housing.

Vice Chair Deckelbaum said a median price point or unit size could be used as part of the calculation, or areas of prime real estate could be excluded from the average as well. Ms. McDowell noted that the maximum total cost the City will provide to supplement a unit is \$90,000-\$100,000. She noted that no development outside the affordable housing program is assisted, which means Housing and Community Development has not supplemented any new construction.

Mr. Henn asked if this cost applied when an individual already owned the land and the structure. Mr. Brown explained that the affordable housing program would help the owner demolish and rebuild on land they already owned. Costs would be inclusive of design, permitting, and other applicable fees; the owner does not contribute.

Ms. Walter suggested that all the Committee members include any data or suggestions they may have before the next month's meeting. This would allow them to determine the best data to should be included in the final report.

Vice Chair Deckelbaum asked if the next submission to the City Commission would focus entirely on inclusionary zoning, or if other possible ways to address affordable housing would be included as well. Mr. Henn said his recommendation

would be to actually put together an ordinance, as providing only information would make it too easy for the Commission to respond by further study rather than action. Vice Chair Deckelbaum stated that he felt the existing data alone was sufficient to justify inclusionary zoning.

Mr. Henn said the Committee's goal should be for the City to get dollars, as most developers would prefer to make a payment in lieu than to build affordable housing. He felt their job was to provide a potential funding mechanism for affordable housing that would pass legal muster.

Chair Crush advised that they would need to recommend how many affordable housing units would be required by the proposed ordinance. Vice Chair Deckelbaum recommended 10% of units, as this would be easier for people to understand.

Ms. Walter asked if the City had issued its housing study RFP. Mr. Brown said he did not know at this time. Chair Crush stated that the Committee should offer to have one of its members sit on the RFP selection committee, as they would be able to report the process back to the Committee. Mr. Henn volunteered to serve on the selection committee.

Ms. Walter added that the Committee could ask for another component to be added to the RFP, such as a request that the consultant prepare information on inclusionary zoning as part of the study. This information could be used by the Committee to assist in some of their calculations. Mr. Jordan noted that even if this is not part of the RFP, it could be included in the scope of services.

Vice Chair Deckelbaum pointed out that participating in the selection committee does not allow an individual to have any input on the content of the RFP. Chair Crush noted that the Committee has not been offered the opportunity to influence the RFP. Vice Chair Deckelbaum noted that the City Manager has actively attempted to allow a non-City professional to participate in the selection process for various RFPs. He recommended that the Committee ask the City to include their 2011 report in the backup materials to the RFP as background information.

**Motion** made by Vice Chair Deckelbaum, seconded by Mr. Jordan, that if the City determines that a member of this Committee should sit on the selection committee for the RFP when it goes out, that the Committee nominates Peter Henn to be their representative. In a voice vote, the **motion** passed unanimously.

It was clarified that the **motion** would not be sent as a communication to the City Commission, as the City Manager had previously offered to have a Committee member serve on the selection committee.

### **Communications to the City Commission**

None.

### **Agenda Topics for Next Meeting**

Chair Crush noted that the Agenda Items would remain the same for the next scheduled meeting.

### **Other Business**

Ms. Alexander stated that she felt there should be two Committees: one for City housing and one for affordable housing. She believed the concept of inclusionary zoning was excellent, and felt if it was for general housing rather than affordable housing, it would have already been approved.

Vice Chair Deckelbaum suggested that at the next meeting, the Committee work on not only inclusionary zoning but on the prioritization of housing, such as housing for individuals in specific income levels or elderly persons. Chair Crush agreed this discussion should begin at the March or April meeting.

### **Good of the Order**

It was noted that the next meeting would be on Tuesday, March 13, 2012, at 8 a.m.

Mr. Brown reminded the Committee that the affordable housing report to the State would be due in December 2012. This report would also need to be provided to the City Commission for approval before December 31. Chair Crush suggested that Staff begin providing information on the items to be included in this report at the September 2012 meeting.

### **Adjournment**

There being no further business to come before the Committee at this time, the meeting was adjourned at 9:13 a.m.

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