

CITY COMMISSION CONFERENCE MEETING 1:50 P.M. JANUARY 15, 2008

Present: Mayor Naugle
 Commissioners Hutchinson, Rodstrom, and Teel and Vice Mayor Moore

Absent: None.

Also Present: City Manager – George Gretsas
 City Auditor - John Herbst
 City Clerk - Jonda K. Joseph
 City Attorney - Harry A. Stewart
 Sergeant At Arms – none

Mayor Naugle noted the meeting is being delayed as some commissioners attended a Broward League of Cities meeting.

I-A – Low-Moderate Income Housing – Grant Application

Katharine Barry, President and CEO of H.O.M.E.S., Inc., said they are a non-profit organization started in 1998. H.O.M.E.S. operates county-wide. She mentioned their current projects and introduced individuals in the audience in support of this H.O.M.E.S. proposal.

Ms. Barry displayed the site plan, an aerial and renderings of the proposed mixed-use project, including twenty-five townhouses (five low income and twenty moderate income and work force), along 13th Street.

Ms. Barry indicated that Phase 1 would consist of low-income townhouses with two bedrooms, 2.5 bathrooms and total of 1,400 square feet including the garage, along with extra guest parking. The twenty moderate income townhouses would have three bedrooms, 3.5 bathrooms and a range of 1,500 to 1700 square feet with two-car garages. She provided a handout on the project affordability parameters, the development team and community partners. All board members are volunteers.

Ms. Barry indicated they are a community-based organization with a community-based board of directors consisting of business individuals throughout the county. They have a good working relationship with the Middle River Terrace neighborhood association. They have tried to make contact with the area business community and listen to input from the community. Their mission is affordable housing and neighborhood revitalization. H.O.M.E.S. is a non-profit developer. Any money left over from one project is put into the pool for another project.

Ms. Barry said there will also be eighteen rental apartments, 3,500 square feet of retail, 5,500 square feet of office space and a 15,000 square foot Boys and Girls Club. She provided some detail about activities planned for the club and noted there will be job training relating to fine arts. This should be considered a citywide project. The Children's Services Council is working on funding the club's operations. The Boys and Girls Club plans to raise the money for their part of this project. The project goals are to serve a catalyst for revitalizing this neighborhood and provide work force housing for

families who work downtown. Examples she quoted are teachers, police officers, paramedic/firefighters and city building inspector.

Ms. Barry said the price of the units without any subsidy would be about \$250,000, and after all subsidies are applied, the price would be reduced to \$80,000. The larger units without subsidies would be about \$350,000, and after all subsidies are applied, the price would be reduced to \$159,000. The largest units would go for \$350,000, and after all subsidies are applied, the price would be reduced to \$219,000.

Ms. Barry noted that developers are not coming forward because of the price of the land and that construction costs have not come down very much. It is too expensive to build today for what people can afford. In order to achieve a jump-start, she believed they need to be creative, have a vision, and partner local governments with non-profits and the private community. Many communities in Florida are doing these projects. She mentioned Hollywood, Sarasota and Delray Beach. She noted the tax return and commented that it is analogous to the CRA example. She discussed the experience of individuals on their board and development team. She also noted the community partners. She indicated they plan to make this project LEAD certified. She noted that Broward County has awarded this project \$160,000 in SHIP funds and \$132,143 in AHP (general revenue) funds. The Broward Housing Finance Agency awarded the project \$225,000 in CWHIP which was affirmed by Broward County Commission today. Broward Alliance for Neighborhood Development, Inc. is supporting this project. They are also involved in an employer assisted housing program that H.O.M.E.S. will be joining.

The City Auditor asked which of the City's SHIP strategies are being utilized for this project. Ms. Barry said they are asking \$50,000 for each of the five low-income individuals. It is requested that the City reserve the funds so they would be available when the units come online. They are also asking for \$35,000 for each of the five moderate families. She realized the City does not have a strategy for this. The CWHIP requires the local government as a prerequisite to the application to do things it does not normally do.

The City Auditor clarified that within their housing strategies there are housing assistance, purchase assistance for new construction, substantial rehabilitation, and purchase assistance. Ms. Barry indicated it would be down payment assistance. In response to Mayor Naugle, Ms. Barry indicated it would be for the first-time homebuyers although the State has loosened that since the hurricane. The City Auditor said the City's current SHIP only addresses very low and low income individuals, not moderate, therefore an amendment would be needed. Ms. Barry explained the first mortgage is the only mortgage they would be making payments on because all of the subsidies are silent second, third, fourth mortgages. The first mortgage would be an affordable lower amount. She thought it would be acceptable provided the amount the individuals would be paying on was kept to the national standard of 30% of their income.

The City Auditor asked how much of that down payment assistance has been committed from the City's SHIP funds. The City's SHIP grant funds are about \$1.5 million per year. With the \$473,000 fee waiver assistance also coming from the SHIP grant funds, it is a total of about \$900,000. Margarete Hayes, Housing and Community Development Program Manager, said the \$473,000 is inclusive of a portion of the fee waiver; it is not all fee waiver. The total amount of SHIP funds being requested is \$425,000 for

purchase assistance and \$75,000 for fee waivers, if certified as an affordable housing project. In response to the City Auditor, the City Manager indicated that the other \$400,000 would come from the General Fund. Ms. Hayes indicated the \$350,000 for streetscaping would also come from the General Fund.

In response to Mayor Naugle, Ms. Hayes indicated that this area is eligible for Community Development Block Grant funds if available. Ms. Hayes added that CDBG funds would come into play for any streetscape, swale or sidewalk improvements in the immediate project area.

The City Auditor asked how much of the City's down payment assistance fund is available. Ms. Hayes said there would have to be an amendment to reflect the increase. Generally \$300,000 to \$400,000 is set aside per year for purchase assistance; about \$250,000 for new construction. Monies would have to be taken from other strategies.

The City Auditor asked how many units would be rental units. Ms. Barry said there would be eighteen rental units located on the third and fourth floors of the building. She estimated there will be nine low-income units and nine moderate-income units. No SHIP assistance is being requested for the rental; only for any impact fees which would not be from SHIP.

In reviewing the back-up information, the City Auditor indicated he did not see anything on sources, uses, financial information or a market study. Ms. Barry said the CWHIP application is not finished. She would be happy to provide if when it is completed. The deadline is January 29, 2008.

In response to the City Auditor, Ms. Hayes indicated that Florida Housing Corporation has not been contacted in regard to the proposed amendment to the Local Housing Assistance Plan. The City does not know if they would be receptive to the idea of going to moderate income. The Commission would need to adopt a resolution that would be submitted for their consideration. Ms. Barry said that state-wide SHIP goes up to 120%. Many communities use it for low and moderate income both for rental and homeownership. For the CWHIP application, SHIP may go up to 140%.

The City Auditor noted an inconsistency where the background indicates \$1.8 million in monetary support, but Ms. Barry's letter provided that is dated January 8, 2007 (should be 2008) requests \$1.5 million. Ms. Barry believed the amount in the letter is a mistake. She understood the City may not be able to do everything. The CWHIP is an attempt by the State to strongly encourage local governments to participate in these types of projects.

The City Auditor asked how subordinated the City would be. Linda Charles of Stonegate Bank said that normally the first mortgage is from the bank. She suspected if the City contributed \$1 million to \$1.5 million, they would be in 2nd position. She elaborated on financing details and subordinated positions of the various parties.

Ms. Barry explained any City monies used for the housing portion would be passed on through mortgage and there would be deed restrictions. All money is passed through to the buyers as mortgages with deed restrictions. If property is sold during a deed restricted time, it must be sold to another buyer of the same income level. It restricts the price. Ms. Charles indicated the entire project would be deed restricted.

In response to Ms. Barry, Mayor Naugle said the City cannot waive fees; they would have to find a source.

Mayor Naugle explained this has not been budgeted. Another project would have to be canceled, for example.

Ms. Charles noted this project would not come online until 2009 or 2010. The City could commit for that timeline. Mayor Naugle explained the City's five-year plan would have to be amended.

The City Auditor requested a copy of the sources and uses.

Commissioner Rodstrom referred to the CWHIP grant and asked what is the State looking to put into this type of project. Ms. Barry said there are 43 residential units. They are requesting \$4.3 million or \$100,000 per unit. Those funds would have to be used toward the housing portion of the mixed-use project. In order to apply for the grant, the State requires 10% or \$2 million, whichever is less, of housing project costs be furnished from local sources. In this instance, it would be the City and County. The County has contributed \$517,000. The 10% is \$1.25 million, consequently there is a shortage. Some projects have things that have been donated by local government which translate into extra points.

In response to Commissioner Rodstrom, Ms. Barry indicated H.O.M.E.S. is the only organization in Fort Lauderdale doing this. They were the only applicant at the County also. It is a very point driven application. They are looking for creativity in land use, which Ms. Barry believed has been accomplished. It is best to have several sources of financing that shows more participation from various levels of local government. They are looking for innovation and not just a straight housing project.

Commissioner Rodstrom asked when a commitment is needed from the City. Ms. Barry indicated she needs a memorandum of understanding containing a bare outline of the commitment signed by all partners. It does not have to contain detail about how to accomplish it. She could not imagine the townhouses starting before the end of 2008. The City's commitment would start in 2009 and continue for several years.

The City Auditor clarified this is essentially \$1.3 million from the General Fund. If a financial commitment is made today, the Commission cannot obligate money two years in the future. The \$1.3 million would have to be available today.

In response to Commissioner Rodstrom, the City Attorney indicated a letter of understanding would be a commitment.

In response to Mayor Naugle, Ms. Barry said the Broward Development Group is waiving their fees and many have lowered their fees.

Mayor Naugle explained there is nothing provided in the General Fund. He suggested the City Manager look within Community Development's programs. The majority of housing in the City is multi-family and the proposal is multi-family. Currently the medium price for a multi-family unit is \$160,000. For the City to underwrite the cost of new development and charge taxpayers when they are trying to sell their properties at even

lower prices than this proposed subsidized housing would be a difficult position. It would require raising taxes. There is some sort of an affordable housing glut at present. On the other hand, if it would fit into an existing program, it is a well thought out plan, it would improve the area and the Boys and Girls Club would be wonderful.

Vice Mayor Moore could not support subsidizing at \$180,000 per unit. He referred to Broward County's commitment of \$225,000 and the request of the City of \$1.8 million. The City wants to address low-moderate and very low income individuals, but this product focuses on moderate-income. If the City had the affordable housing ordinance he has advocated, there would be money. He did not want to utilize Community Development Block Grant funds when there are other projects waiting. He suggested all those involved to work with civic associations and Community Development for the future. He was concerned that workforce housing is not coming readily available for the middle class. Therefore a mechanism for attainable housing is needed. This proposal that mixes public and private dollars is a way, but there has to be a way to generate the money. In reference to Sarasota and Hollywood, both communities are utilizing these in CRA areas with bonding. He referred to previous efforts to expand the CRA into Middle River Terrace, but the County would not consent. He admired all of the individuals who have come together on this project.

Commissioner Hutchinson felt it is a tremendous project that would provide economic opportunity to a community. She referred to commitments made where money would be paid to the City for affordable housing as certain projects came online. She was interested in knowing the total dollar amount committed. She wanted to find a way to do this, but was concerned about the time constraint.

Commissioner Teel said this is a beautiful project, but there is a time crunch. She did not approve of making last minute decisions. Committing all of this money to one project leaves a lot of people out. Commissioner Teel asked if the property has been purchased. Ms. Barry said the 2.3 acre site was purchased for \$3.1 million and appraised at \$6 million.

Commissioner Rodstrom felt the City needs to look at the bigger picture. This is an area that is not doing as well as it could. There is a possibility of a huge State match. It would increase economic development and assist with crime issues. The City should have a mechanism in place to assist in such projects. She felt it is a wonderful idea. Perhaps the City's process should be examined. It is not just about housing, but improving the health of a community and the city in the long run.

Commissioner Hutchinson asked if the purchase price of the land could be used for a match in any of the grants being pursued. Ms. Barry explained the property is not owned free and clear. There is a mortgage on it. The mortgage carry is \$20,000 monthly and that is why she cannot wait another year. Also, the pilot program might not be available next year.

In response to Mayor Naugle, Ms. Barry said the first mortgage on the property is with Stonegate and the second mortgage is with the sellers. The organization put down about \$150,000 and \$380,000 posted by supporters of the organization is in certificates of deposit at Stonegate. The supporters are paid the CD rate of interest. Mr. Barry clarified only about \$30,000 per unit would be applied if the request was granted in its entirety. Vice Mayor Moore noted there would only be ten owners.

Courtney Crush, on behalf of H.O.M.E.S., said Ms. Barry met with staff. There was no process so she was instructed to put together a wish list. In order to meet the application deadline, H.O.M.E.S. needs \$700,000. The \$700,000 could be monetary and non-monetary. There is no assurance the program will be offered next year, as it is the second year of it as a pilot. The area is blighted and needs assistance. It is not really about the forty-three units. There would be a Boys and Girls Club. With the commitment of \$700,000, the City would be gambling whether the State would contribute \$4.3 million to this area.

In response to Mayor Naugle, Ms. Crush indicated that there needs to be a memorandum of understanding from the City by January 29.

Vice Mayor Moore was not opposed to discussing a partnership, but to attempt to accomplish it by January 29 is not right to take that position with tax dollars in that manner. It is not appropriate to make an exception. He preferred to look at it for next year if the program is available.

Former Commissioner Tim Smith explained that the stars are lined up for this project this year. The area is blighted; it spans further than Middle River Terrace. Residents very much want improvements. He urged approved, the parties are sincere.

Harris Solomon, member of H.O.M.E.S., Inc. Board, said things are lined up in the City's favor and will not be lined up like this next year. Commitments have been made and people are ready to build a 15,000 square foot Boys and Girls Club. If it does not happen now, the Club will go to another city. There is a bank ready to finance this project and there is a potential \$4.3 million State grant. Although the time is short, staff has been working on this for months. He urged the Commission not to pass by this opportunity.

The City Manager said staff has been working hard with this group. Staff was waiting for H.O.M.E.S. to get information together in order to bring it to the Commission. It is unacceptable to say that time went by and nothing was done. If the request if \$700,000, this is not what was submitted this past weekend. Ms. Barry agreed that staff has been wonderful.

Mayor Naugle did not like to work in such a last minute fashion.

Vice Mayor Moore noted the City has consistently given large amounts of money in the past to the Boys and Girls Club but they have not chosen to move forward with development of a facility. He noted that staff indicated to him their attempt to gather data in order to present it prior to this date. It is not fair to make this exception when there are others waiting for rehabilitation funds.

Commissioner Rodstrom was concerned about waiting so long.

Mayor Naugle said if anyone is interested in requesting assistance from the government they need to give more than a week's notice.

Ms. Barry said they have been meeting with staff for several months. Staff was very helpful. They did not feel they were waiting until the last minute.

The City Manager indicated when the issue was raised, staff was directed by the Commission to meet with H.O.M.E.S. and bring it forward to the Commission. In response to the City Manager, Jeff Modarelli, Director of Economic Development, said he asked for the request before the Christmas holiday; staff received it on the Tuesday prior to the Commission packets being delivered.

Action: No consensus.

I-B – Charter Amendment Question on November, 2008 Ballot – Moving Municipal Elections to November at Four-Year Intervals – Refer to Charter Revision Board

Mayor Naugle said that some communities are moving their elections to November, which would require a charter change.

Commissioner Teel wanted the matter discussed by the Charter Revision Board.

Commissioner Hutchinson said there has been a lot of discussion at the Broward League of Cities about this. Many cities are looking at this due to the financial implications in the off-years. Turnout in a March election is 9% to 11%.

Vice Mayor Moore left the meeting at approximately 3:05 p.m.

Mayor Naugle felt the turnout has to do with the amount of money he has spent on campaigns.

Commissioner Hutchinson questioned if appointments to this board are current.

Action: Referred to Charter Revision Board.

III-B – Advisory Board Appointments

Audit Advisory Board

Action: Deferred.

Aviation Advisory Board

Action: Deferred.

Beach Redevelopment Board

Action: Deferred.

Board of Adjustment

Action: Deferred.

Cemeteries Board of Trustees

Action: Deferred.

Citizens' Police Review Board

Action: Deferred.

Code Enforcement Board

Action: Deferred.

Community Appearance Board

Action: Deferred.

Community Services Board

Action: Deferred.

Education Advisory Board

Commissioner Teel recommended Laura J. Clark to the Education Advisory Board.

Action: Formal Action To Be Taken At Regular Meeting.

Enterprise Zone Development

Action: Deferred.

Fire-Rescue Facilities Bond Issues Blue Ribbon Committee

Action: Deferred.

Insurance Advisory Board

Action: Deferred.

Marine Advisory Board

Action: Deferred.

Nuisance Abatement Board

Action: Deferred.

Parks, Recreation & Beaches Advisory Board

Action: Deferred.

Unsafe Structures & Housing Appeals Board

Commissioner Hutchinson recommended John F. Phillips to the Unsafe Structures & Housing Appeals Board (consensus).

Action: Formal Action To Be Taken At Regular Meeting.

Utility Advisory Committee

Action: Deferred.

IV – City Commission Reports

Vice Mayor Moore returned to the meeting at approximately 3:07 p.m.

Calypso Deepwater Port Project

Commissioner Teel indicated a meeting was held yesterday with representatives of the Calypso Deepwater Port Project. A presentation explaining the project will be made in February on the Galt Ocean Mile. It appears that the facilities would be more north toward Commercial Boulevard than originally thought. Before February, they are going to have a ship moored so people could see the location.

Mayor Naugle commented in some of these cases there is a host fee because there will be added pollution and a visual impact. Such a fee would help compensate for added expenses. It would be helpful to look at what other cities have imposed in host fees. He mentioned Massachusetts. The biggest health threat is air pollution from the power plant at Port Everglades burning oil. Having a second source of natural gas might be helpful in convincing the Port to convert to gas. Commissioner Teel suggested that question should be submitted to the representatives so they could respond at the February meeting.

Ireland's Inn Redevelopment; On-Site Factfinding Meeting

Commissioner Rodstrom said residents are concerned about the Ireland's Inn project and public beach access. She was asked if the Commission would be interested in visiting the site to look at various potential public accesses based on the development design plans.

Mayor Naugle noted that the Property and Right of Way Committee is meeting on the 17th.

Vice Mayor Moore had no objection to visiting the site. He asked about public parking. Commissioner Rodstrom understood the developer would answer that question.

The City Attorney explained the meeting would have to be held at a facility where anyone who wishes to attend can do so. It is quasi-judicial. The location would have to be posted.

Mayor Naugle thought the residents are interested in something similar to the pathway in the vicinity of The Palms. Commissioner Rodstrom added they also want a boardwalk.

The City Attorney understood the meeting would be at the developer's site at the request of the neighbors. As such Mayor Naugle noted the developer would have to give consent so they would not be trespassing.

In response to the City Manager, the City Attorney said there should be a factfinding mission and presentations as opposed to onsite discussions. There should not be any discussion amongst the commissioners at the site.

Commissioner Rodstrom was interested in doing this as soon as possible.

The City Manager will follow-up with Commissioner Rodstrom.

Action: Commissioner Rodstrom wanted the Commission to visit the Ireland's Inn site to look at public beach access point options. The City Manager and City Attorney will look into what arrangements would be necessary.

Northwest Commercial Redevelopment Project

Vice Mayor Moore read that the City voted in 1991 for an RFP for the Northwest Commercial Redevelopment project. The property was zoned for business, not allowing residential use. The action plan provided for commercial use of the property. In 1997 the City did a re-write of its zoning regulations resulting in what is now referred to as the City's Unified Land Development Regulations, and in doing so the property was placed in a zoning district permitting mixed use development. As a result the developer ultimately drew a conceptual site plan introducing a residential component. In previous redevelopment projects, the development agreement that is executed recites that it is consistent with the action plan. It seemed appropriate that there be a public hearing to amend the action plan prior to the Commission authorizing execution of a development agreement.

Vice Mayor Moore understood and the City Attorney confirmed staff has been told by HUD however that the public hearing to amend the action plan should occur after the Commission authorizes execution of the development agreement.

Vice Mayor Moore was confused about the process and the potential for HUD to ultimately reject the project. He wanted to invite a HUD representative to a Commission meeting.

In response to the City Attorney, Vice Mayor Moore explained there is a public process in place wherein meetings are held on Thursday evenings, HUD required public input. He mentioned various staff members who attend. He was concerned about the potential response of HUD. Absent a HUD representative attending a Commission meeting to answer questions, he wanted staff to attempt to secure some answers. Mayor Naugle said the Commission voted on a path. If the Manager feels the path is blocked and needs further clarification, then the Manager would place the matter on a conference agenda.

The City Attorney said he told the Commission the agreement would be brought back at the second meeting in January, which has not occurred, but it will be placed on the agenda for the first meeting in February. The agreement will either be agreed to by the developer or there will be blanks in it with suggestions by his office. One of the issues left open is whether it would be rental or for sale units. HUD has indicated they would not look at the agreement until all of those blanks are completed. In the meantime, they

will contact HUD and see if a representative will attend the conference when the item is on the agenda.

Mayor Naugle concluded the matter will be placed on the February 5, 2008 conference agenda. The City Attorney confirmed a HUD representative will be invited to attend.

In response to Vice Mayor Moore, the City Attorney indicated the two public hearings specified by HUD will occur at a later date.

Assistant City Attorney Dunckel clarified that earlier the Vice Mayor was reading an excerpt of an e-mail he sent to HUD officials, wherein he was attempting to set a conference call between HUD and the City. He received a non-response response from HUD and he is still attempting to get answers needed to put the finishing touches, among other things, into the development agreement. In other agreements, the action plan was consistent with the agreement when it was signed. The Housing and Community Development Manager was told by HUD the City should amend their action plan after the agreement is executed. It seems counter intuitive and in fact HUD's legal counsel admitted so. The question arises of what if HUD disapproves of the action plan amendment. If there is to be a HUD approval, the City may want some sort of time delay between the time the agreement is signed and HUD's approval. There are many complicated factors.

The City Attorney asked that the email be forwarded to the Commission.

Citizens Volunteer Corps Project

Commissioner Hutchinson commended the CVC and Vice Mayor Moore for a great crime walk this past Friday night.

V – City Manager Report

None given.

There being no further business to come before the Commission, the meeting was adjourned at approximately 3:30 p.m.