

**DRAFT**  
**AFFORDABLE HOUSING ADVISORY COMMITTEE**  
**MEETING MINUTES**  
**CITY OF FORT LAUDERDALE**  
**100 NORTH ANDREWS AVENUE**  
**CITY COMMISSION CHAMBERS**  
**1<sup>ST</sup> FLOOR CONFERENCE ROOM**  
**MONDAY, MARCH 13, 2017 – 9:00 A.M.**

<u>Committee Members</u>	<u>Attendance – July 2016 through June 2017</u>		
		<b>Present</b>	<b>Absent</b>
Roosevelt Walters, Chair	P	6	0
Edwin Parke (arr. 9:07)	P	6	0
Brian Poulin (dep. 11:09)	P	6	0
Skeet Jernigan	P	5	1
Peter Cooper	P	6	0
Mitchell Rosenstein	P	6	0
Fran Epstein	P	5	1
Debbie Orshefsky	P	5	0
Donnalee Minot (arr. 9:02)	P	5	0
Brandon Stewart (arr. 9:10)	P	4	0
Wilson Atkinson	P	4	0

At this time, there are 11 appointed members to the Committee, which means 6 would constitute a quorum.

**Staff**

Avis Wilkinson, Housing Programs Administrator / Staff Liaison  
Mona Laventure, Recording Secretary, Prototype, Inc.

**Communication to the City Commission**

None.

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

Chair Walters called the meeting to order at 9:00 a.m. Roll was called and it was noted that a quorum was present.

**II. APPROVAL OF MINUTES – February 13, 2017**

**Motion** made by Mr. Cooper, seconded by Mr. Jernigan, to approve. In a voice vote, the **motion** passed unanimously.

**III. OLD BUSINESS**

None.

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

- **CHDO RFP Proposals Presentations by HOMES Inc. & Fort Lauderdale CDC**

Ms. Wilkinson explained that Community Housing Development Organizations (CHDOs) seek to provide affordable housing by providing properties for resale or rental at U.S. Department of Housing and Urban Development (HUD) rent limits to eligible renters or owners. The Committee is tasked with maximizing what is done with the funds provided to these organizations. CHDO funds are mandated by HUD: 15% of these funds are set aside for CHDOs whenever the City receives a distribution of HUD funding. Small amounts of funding are typically allowed to accumulate over time before allocation.

Two CHDOs will present before the Committee today: Housing Opportunities, Mortgage Assistance, & Effective Neighborhood Solutions, Inc. (HOMES, Inc.) and Fort Lauderdale Community Development Corporation (Fort Lauderdale CDC). It was determined that the Committee would ask questions of the organizations once their presentations are complete.

Ms. Wilkinson reviewed the CHDO score sheet, which allows a range of points in each category for the organizations. Staff will tally the results, which will serve as the Committee's recommendation.

Linda Taylor and Margaret Hayes, representing HOMES Inc., explained that former Committee member Katherine Barry is the organization's president. Ms. Barry has resigned from the Committee in order to ensure there is no perception of impropriety with regard to the Committee's decision.

Ms. Taylor showed a PowerPoint presentation on HOMES Inc., which provides quality community and economic development to individuals with lower incomes and at-risk neighborhoods and communities. They operate four programs:

- Home ownership: the agency has developed and rehabilitated over 200 homes in Broward County
- Rental housing: this program provides 100% affordable rentals, all of which are located in Fort Lauderdale
- Self-sufficiency/supportive housing: this program targets young individuals between the ages of 18-24 who have aged out of foster/relative care
- Neighborhood revitalization: HOMES Inc. has invested significantly along the 13<sup>th</sup> Street corridor and works closely with its homeowners' association

HOMES Inc. has been a partner with Broward County and the City of Fort Lauderdale for most of its 18 years in existence. The organization is closely involved with individual communities and local governments. The first project they hope to complete if funding is

received is rehabilitation of a six-unit multi-family residential building that was purchased using CHDO funds from Broward County. They are requesting \$95,096 to rehabilitate this 46-year-old structure.

The second phase of HOMES Inc.'s request will be used to purchase a single-family residential home. They are requesting \$194,349 to fund this purchase, rehabilitate the building, and sell it to a first-time income-qualified buyer. HOMES Inc. has completed work on other structures in this neighborhood with a grant from the City, including rehabilitation of another single-family home.

Ms. Taylor noted that the CHDO RFP requests leveraging of funds, and explained that HOMES Inc. has already expended a total of \$762,000 as equity to show matching funds for their projects. The six-unit building renovation will include new flooring, impact doors and windows, new electrical service, kitchen and bathroom replacements, and construction of a garbage enclosure.

HOMES Inc. has successfully completed 12 CHDO projects thus far, and its staff collectively has more than 70 years' experience in affordable housing. They have rehabilitated more than 200 properties in partnership with other nonprofit organizations and have undertaken new construction as well. All 43 of their current housing units are located within Fort Lauderdale, although HOMES Inc. operates throughout the County.

Mr. Cooper requested additional information about the self-sufficiency/supportive housing program for young adults. Ms. Taylor replied that HOMES Inc. works with the continuum of care available through the Children's Services Council and other Broward County partners. These organizations refer young people to HOMES Inc. when they are required to transition to adult care. Their housing is supervised by a case manager who also oversees a job development program.

Ms. Taylor advised that HOMES Inc. purchases properties wherever they can afford to throughout the City, pointing out that they often compete against cash purchasers and investors. While they do not focus on a particular area, she noted that their preference is often for the Northeast region of the City, where most of their units are located and maintenance staff can manage the properties more effectively. They also partner with HUD-approved counseling agencies, which help them identify home buyers.

Ms. Hayes added that HOMES Inc. was one of the driving forces behind the formation of the Central City Alliance and Central City Community Redevelopment Agency (CRA), which is another reason they focus on revitalizing the Northeast corridor. They focus not only on housing but on bringing economic development and employment opportunities to that area. She emphasized, however, that they are not restricted from operating within the entire City.

Ms. Orshefsky asked how HOMES Inc.'s purchase price of \$194,349 for the single-family residential home would compare to the purchase price ultimately paid by the

buyer. Ms. Hayes replied that under HUD guidelines, the organization may not sell the property for more than \$205,000. They invest significantly in rehabilitation of this and similar properties, and seek to leverage resources including City funds, lines of credit, and private dollars to make the property as affordable as possible.

Ms. Epstein asked if HOMES Inc. has considered looking to the south of Sunrise Boulevard for single-family homes in neighborhoods that may not have begun to appreciate in value thus far. Ms. Taylor confirmed this.

Mr. Atkinson asked how the agency could break even if a property required significant repairs, which might total more than the price at which it is sold. Ms. Hayes explained that they must accept the loss, although she noted that the City may assist them with financing.

Mr. Rosenstein requested additional information on the makeup of the organization's non-City funding. Ms. Hayes stated that these funds come from Broward County as well as HOMES Inc.'s own funding. Market value of properties is calculated by subtracting debt from the value determined by the Broward County Property Appraiser.

Pamela Adams, representing the Fort Lauderdale Community Development Corporation (Fort Lauderdale CDC), showed a PowerPoint presentation on this agency, which was founded in 1988 and targets the Northwest area. The organization advocates for economic development, revitalization of communities, and affordable housing. They have been involved in environmental justice issues and work to ensure that individuals are protected from misleading practices in the acquisition of affordable housing.

The organization has a mission- and community-driven board of directors consisting of individuals who live and/or own properties or businesses in Northwest Fort Lauderdale. Property management is locally owned. Most professional services are outsourced and contracted, including day-to-day operations, acquisitions and grants, and compliance management. The core business is real estate and ensuring that affordable housing remains available in the Northwest area.

Fort Lauderdale CDC acquires, rehabilitates, and sells homes to first-time home buyers. Ms. Adams reviewed some of the agency's recent successful projects, noting that the City awarded them \$570,000 as a CHDO. Funds were used to acquire and rehabilitate three single-family homes, two of which have been sold and one of which is rented to an eligible resident. In 2011, City funds enabled them to improve their existing rental properties. Because they rent to low- and very low-income families, the income generated by Fort Lauderdale CDC does not provide sufficient funds to make capital improvements as quickly as they would like.

The organization works with local homeowners' associations, the Urban League, Home for Homebuyers, and the Housing Foundation of America to identify families that are seeking single-family homes. Ms. Adams showed slides of properties acquired and

rehabilitated by Fort Lauderdale CDC that have been made available to working families through sale or rental.

The proposed use for the requested CHDO funds would enable Fort Lauderdale CDC to make capital investments in existing rental properties that they own. These investments include replacing two roofs, making interior improvements to a town house building, and fence replacement. The organization is current on its taxes and all long-term debt payments. Their loan-to-value ratios are approximately 70%. Projects are delivered on time and on budget. They have been a long-time partner to the City and many community organizations.

Mr. Rosenstein requested clarification of two loans in arrears noted as part of an auditor's report, as well as a \$169,000 write-off. Ms. Adams explained that one loan in arrears was a City rental rehabilitation loan. While Fort Lauderdale CDC fell into arrears with this loan approximately five years ago, they have made principal payments plus \$100/month and have paid the loan down to roughly \$6500. The second loan was delinquent during the nationwide financial crisis; however, it is now being paid on a monthly basis. The write-off was a property sold for less than was spent on its rehabilitation.

Mr. Rosenstein also referred to significant decreases in assets from 2014-2015, as reflected on financial charts. Ms. Adams confirmed that these were adjustments made in relation to grant funds received.

Ms. Orshefsky asked if the renovations of rental apartments which date from the 1960s and 1970s are expected to extend the useful lives of the structures. Ms. Adams replied that they are, pointing out that they improve the safety and health of the residents who live there. Funding from the requested CHDO award would not go toward improvements for which funds are already set aside.

Ms. Orshefsky asked if Fort Lauderdale CDC has calculated how much money their improvements will save in maintenance costs. Ms. Adams reviewed the costs of some recent improvements, stating that the intent is to be proactive; however, they do not always have sufficient reserve funds to deal with emergency improvements. The requested CHDO funds would not be used to pay the balance of any existing loans.

Chair Walters commented that workforce and low-income housing are two separate categories. Ms. Adams agreed, stating that the residents typically served by Fort Lauderdale CDC fall into the categories of low- to very low-income; however, there is also a need for workforce housing in the area, and the organization's board hopes to develop an initiative that would allow them to add to the local stock of workforce housing as well. The requested CHDO funds would be used to rehabilitate existing properties that currently house low- and very low-income families. Fort Lauderdale CDC plans to bid on infill housing developments in the future.

- **Discussion of the Request for Proposals and Make Recommendations for Community Housing**

Mr. Rosenstein asked if there were any existing developments that would be considered for purchase by both CHDO applicants. Ms. Wilkinson explained that the agencies were asked to present proposals on how each would expend the full amount of the funds. The City's preference is to provide funds to one of the two applicants. She emphasized that the funding must be project-specific and must be spent by September 2017.

The Committee discussed the two CHDO proposals, with Mr. Parke pointing out that the two organizations work in different areas of the City. Chair Walters noted, however, that this is unrelated to the services they provide, as affordable housing is needed throughout the City and both organizations serve Fort Lauderdale.

Ms. Epstein asked if either agency provides community representatives with seats on their boards. Ms. Wilkinson advised that this is a requirement of any certified CHDO, and both agencies are required to document this participation.

Mr. Cooper referred to a 2010 *Sun-Sentinel* article which he stated indirectly relates to Fort Lauderdale CDC. The article refers to the City Commission's redistribution of aid to other companies following allegation of mismanagement. He added that during the presentation, he did not feel Ms. Adams provided a satisfactory response to the question regarding loans in arrears.

Ms. Orshefsky commented that Fort Lauderdale CDC's commitment to preservation and rehabilitation of 40 units was significantly greater than HOMES Inc.'s commitment to rehabilitate only seven units. She concluded, however, that both organizations have solid track records. Mr. Parke added that he did not wish to condemn Fort Lauderdale CDC on the basis of previous allegations dating back to the national financial crisis. Ms. Wilkinson stated that she has worked with both organizations, and both have successfully completed projects in a timely manner.

Ms. Wilkinson continued that agencies are provided with a 10% developer fee based on the total acquisition and rehabilitation costs, as well as an additional \$5000 if a home is sold to a first-time home buyer.

Mr. Poulin left the meeting at 11:09 a.m.

Mr. Rosenstein suggested that for future RFPs, a category of readiness to proceed should be added as a scoring item. He explained that this would prevent agencies from requesting funds without having identified a specific project on which to use them. Ms. Wilkinson confirmed that this is part of her responsibility before bringing applicants before the Committee.

Ms. Wilkinson reported that HOMES Inc. received five votes and Fort Lauderdale CDC received six votes. The recommendation for Fort Lauderdale CDC will be presented to Housing and Community Development Manager Jonathan Brown for further action.

- **Development Agencies (CHDO) – HOME Program & Housing Counseling – SHIP Program**

Ms. Wilkinson explained that the Florida Housing Finance Corporation has provided the City with additional funds in the amount of \$22,357, for which they have requested proposals. The City has asked respondents to focus on providing housing counseling in three areas: consumer education, home purchase, and anti-predatory lending. Home maintenance was also emphasized so respondents would teach individuals how they may maintain their houses for long-term sustainability.

Each of the HUD-certified responding agencies participates in the City's Purchase Assistance Program, overseeing the intake process for the first-time home buyer program. The agencies also provide pre- and post-counseling for purchase assistance.

Ms. Wilkinson continued that housing consumer education includes budgeting, credit repair, individual counseling, money management, and home maintenance. Home purchase counseling provides home purchase and money management instructions, with an emphasis on foreclosure prevention. She emphasized the importance of anti-predatory lending counseling, stating that when a home is repaired or rehabilitated, its value increases substantially. This often means the homeowner will begin receiving letters about refinancing and loans. Counseling assists the owners in understanding home equity, refinancing, home improvement loans, and other types of loans. Providers are asked to serve a minimum of 25 clients by educating them on this issue.

Ms. Orshefsky noted that the proposals recommend varying frequency of counseling sessions, and asked what frequency is preferred by the City. Ms. Wilkinson replied that some sessions will need to be provided on a case-by-case basis once the agencies understand what homeowners need. She estimated that the providers will need to hold general workshops on at least a monthly basis in addition to whatever one-on-one counseling may be necessary.

Mr. Cooper stated that he had researched the companies responding to the housing counseling RFP, and reported that the *South Florida Times* has investigated New Visions Development Corporation. He read from a 2009 article on this topic, which stated that the agency's executive director was suspended without pay due to alleged improprieties. After leaving New Visions, the individual became executive director of Oasis of Hope under a different name.

Ms. Wilkinson advised that the procedure for the Purchase Assistance Program requires prospective homeowners to be income-eligible, which requires significant supporting documentation. The agencies verify applicants' incomes. Once a

homeowner has identified a lender of his or her choice, the agencies put together packages including all pertinent information and provide the City with a copy of the proposed sales contract. The intent is to protect individuals with low incomes so they do not face additional issues related to the properties, such as Code infractions or adjustments.

Ms. Wilkinson continued that Housing Foundation has generated most of the City's clients for its Purchase Assistance Program. Oasis of Hope only recently became a nonprofit certified for this program and has submitted an estimated three client files thus far. Only these two agencies are currently active within the program. She advised that there have been no issues with either agency's work. She concluded that she has not worked directly with New Visions, and emphasized the need for the Committee to review the responses objectively.

Mr. Cooper stated that he had experienced communication issues in working with Housing Foundation, as well as with the former executive who was removed from New Visions and later worked with Oasis of Hope. Ms. Wilkinson clarified that at present, the City has experienced reliable communication with Housing Foundation. All participating agencies meet the program's requirements.

Ms. Orshefsky noted that the proposal submitted by New Visions included educational material on the topic of housing counseling. She proposed that the Committee review only the proposals before them when making recommendations for the program.

The members provided their score sheets for the organizations. Chair Walters stated that he felt the members should report their scores to the Committee in order to explain any significant discrepancies between scores. Ms. Orshefsky pointed out, however, that the scoring sheets are part of the public record and may be reviewed.

**Motion** made by Mr. Jernigan, seconded by Mr. Poulin, that [the Committee] just pass [the score sheets] in. In a voice vote, the **motion** passed 10-1 (Mr. Cooper dissenting).

Chair Walters noted that Mr. Parke had not submitted a scoring sheet on the housing counseling RFP. Mr. Parke explained that he did not feel he was sufficiently prepared to vote on this Item. Chair Walters advised that members may not abstain from voting in the absence of a compelling reason, and requested that he submit his vote at this time.

Ms. Wilkinson advised that New Visions received 9 votes and Housing Foundation received one vote. One vote made no recommendation.

## **V. AGENDA TOPICS FOR NEXT MEETING**

Mr. Jernigan stated that the Broward County Coordinating Council, which consists of representatives from major nonprofit organizations, plans address the issue of

affordable housing in the future. He suggested that a representative of this group be invited to speak to the Committee regarding their goals and objectives on this topic.

#### **VI. GOOD OF THE ORDER**

Mr. Stewart advised that an Affordable Housing Summit is scheduled for Wednesday, March 29, 2017. Registration for the event is now open.

#### **VII. NEXT SCHEDULED MEETING DATE – April 10, 2017 – City Hall, 1<sup>st</sup> Floor City Commission Chambers**

#### **VIII. ADJOURNMENT**

There being no further business to come before the Committee at this time, the meeting was adjourned at 11:21 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.]