

# City of Fort Lauderdale

*City Hall  
100 North Andrews Avenue  
Fort Lauderdale, FL 33301  
www.fortlauderdale.gov*



## Meeting Minutes

**Tuesday, July 10, 2018**

**12:00 PM**

**Joint Workshop with Affordable Housing Advisory Committee**

**City Commission Conference Room**

### **CITY COMMISSION WORKSHOP**

*FORT LAUDERDALE CITY COMMISSION*

*DEAN J. TRANTALIS Mayor - Commissioner  
BEN SORENSEN Vice Mayor - Commissioner - District IV  
HEATHER MORAITIS Commissioner - District I  
STEVEN GLASSMAN Commissioner - District II  
ROBERT L. McKINZIE Commissioner - District III*

*LEE R. FELDMAN, City Manager  
JOHN HERBST, City Auditor  
JEFFREY A. MODARELLI, City Clerk  
ALAIN E. BOILEAU, Interim City Attorney*

**CALL TO ORDER** Mayor Trantalis called the Commission Joint Workshop with the Affordable Housing Advisory Committee to order at 12:09 p.m.

**ROLL CALL** Commissioner Heather Moraitis, Commissioner Steven Glassman, Commissioner Robert L. McKinzie, Vice Mayor Ben Sorensen and Mayor Dean J. Trantalis

**QUORUM ESTABLISHED**

**Also Present:** City Manager Lee R. Feldman, City Clerk Jeffrey A. Modarelli, Interim City Attorney Alain Boileau and City Auditor John Herbst

**Affordable Housing Advisory Committee (AHAC) Members:** Chair Debbie M. Orshefsky, Vice Chair Roosevelt Walters, Nancy Daly, Skeet Jernigan, DonnaLee Minott, Edwin P. Parke, Mitchell Rosenstein and Brandon P. Stewart

**AHAC Members Not Present:** Frances Epstein, Peter Cooper and Margi Nothard

[18-0605](#)

- A. Affordable Housing Incentive Strategies Recommendations
- B. Inclusionary Zoning Staff Presentation
- C. Letter of Intent: Request for Transfer of City-Owned Land for Affordable Housing at 1801 SE 1st Avenue

A. Affordable Housing Incentive Strategies Recommendations

Mayor Trantalis gave a brief review on the topic of Affordable Housing. Each attendee introduced themselves, noting their background.

Mayor Trantalis recognized Chair Debbie Orshefsky. Chair Orshefsky expounded on the Affordable Housing Advisory Committee's (AHAC) statutory requirement for participation in the Statewide Health Improvement Program (SHIP) funding. She discussed housing concerns and AHAC's efforts to address them in an across-the-board manner, stating the purpose of this Workshop is to share the AHAC's ideas and solutions. Costs, financing, affordable housing developments and the

Low Income Housing (LIH) Program were discussed.

Board Member Mitchell Rosenstein explained details about tax credits offered for LIH Program developments. Further discussions ensued, including examples of utilizing tax credits. City Auditor John Herbst expounded on this topic, citing examples and discussing various scenarios.

Chair Orshefsky discussed Affordable Housing unit construction costs, competitive and non-competitive tax credits, financing gaps, subsidy needs and the history of the LIH Program in Broward County and other municipalities. Board Member Rosenstein commented on the LIH programs that have been funded but not yet built. He expounded on the City's high cost of development for both land acquisition and construction.

Board Member Rosenstein emphasized the need for gap funding subsidies for competitive and non-competitive tax credit incentives, discussing various scenarios. Chair Orshefsky commented on Broward County's recent effort to fund necessary subsidies for development of affordable housing. Mr. Rosenstein commented on additional funding options available through the State.

Chair Orshefsky commented on the City's Affordable Housing Trust Fund (AHTF) and its funding from a variety of sources. She discussed the need for a mechanism to use these funds. The AHAC has prepared a draft ordinance of broad procedures and policies to allow the Commission to generate creative ideas to address affordable housing needs. The draft ordinance will be before the Commission in the near future.

Chair Orshefsky reviewed AHAC's three-year requirement to prepare an Affordable Housing Incentive Report to the Commission for approval and subsequent submission to the State Housing Authority. This is being drafted and will be presented to the Commission for consideration in the fall. Submission to the State is due by the end of the year. Chair Orshefsky reviewed historic incentives noted in presentation. She confirmed that AHAC has submitted new incentives, expounding on incentive details that includes overlay zoning.

Chair Orshefsky emphasized the need to educate the community on affordable housing to include the hospitality and food service industries. Mr. Rosenstein commented on Broward County's median family income in order to qualify for affordable housing. It is scaled by the number of people in each household. He expounded on caps for tax credit

developments, noting rents are capped at sixty percent or less of the County's median income. A single person making \$34,000 would qualify for an affordable housing unit, commenting that a large number of individuals in the service industry would qualify.

Chair Orshefsky discussed AHAC's recommendation to place fifteen percent of net proceeds from City-owned commercial/industrial property into the AHTF. One hundred percent of City-owned residential sales go into the AHTF.

Board Member Skeet Jernigan commented that affordable housing can only be resolved if it is seen as a vital part of the community. Hotels, restaurants, port employees and cruise lines should acknowledge the need and be participants in the process. This will serve to address needed resources for funding gap subsidies. Board Member Jernigan commented on the history of efforts involved with the AHTF, commenting on his support of AHAC's incentive recommendation to have fifteen percent of net proceeds from the sale of City-owned commercial property put into the AHTF. He cited the significant equity increase in the sale of commercial property at State Road 84 and 441 as an example. This incentive will be brought before the Commission. Commissioner McKinzie concurred with this recommendation. In response to Commissioner Glassman's question about the previous Commission's position, Vice Chair Roosevelt Walters commented on their opposition.

Mayor Trantalis noted the need for a mixed demographic for a successful downtown, citing examples. He commented on the need to balance and spread affordable housing units throughout the City to prevent low-income neighborhoods. Board Member Jernigan confirmed the AHAC will present the Commission with a proposal for policy statements for structuring the AHTF. Further comment and discussion ensued on this topic.

Vice Chair Walters discussed the need to alter the public's understanding of affordable housing versus low-income housing. He reiterated Mayor Trantalis' recommendation for spreading affordable housing throughout the City, confirming his support of a fifteen percent contribution to the AHTF from the net proceeds of commercial property sales.

In response to Vice Mayor Sorensen's question, City Manager Feldman said all of the proceeds from City-owned commercial properties currently go into the General Fund. City Manager Feldman said there is not a large inventory of City-owned commercial properties. Proceeds from the sale of the commercial property located at State Road 84 and 441 were

earmarked for three specific projects, the Aquatic Complex, sea walls and the Emergency Medical Services (EMS) Station.

Vice Mayor Sorensen confirmed the need to address affordable housing, low-income housing needs and homelessness. He commented on the need to prevent individuals from becoming homeless through effective affordable housing. City Manager Feldman commented on commercial/industrial properties owned by the Executive Airport Fund (Fund), explaining that proceeds from these sales must go into the Airport Fund due to Federal Aviation Administration (FAA) Rules.

Chair Orshefsky discussed the results of the Shimberg Study and its analysis of individuals in the workforce that currently occupy affordable housing. She also discussed developing AHAC incentives for making contributions to new infrastructure and infrastructure rehabilitation, similar to Community Redevelopment Agency (CRA) efforts. Board Member Jernigan commented on the need to address additional costs, including paying down housing related impact fees paid to the Broward County School Board (School Board).

Chair Orshefsky suggested formulating a three-year plan with goals and desired outcomes. She expounded on the need for affordable housing, commenting on Miami-Dade's surtax that generates \$25,000,000-\$30,000,000 per year and has subsidized 1,000-1,500 residential units annually. Chair Orshefsky asked the Commission to make a decision as to the amount of financial resources it wishes to dedicate to affordable housing and sources of subsidy funding. Mayor Trantalis suggested addressing this as a percentage of housing in areas and a fifteen percent benchmark for new construction. Further discussions ensued on areas needing to meet this benchmark, existing tax credit development programs and having a development mix throughout the City.

Vice Chair Walters commented on the option to "pay in lieu of" instead of developers building fifteen percent of affordable housing within a development. Chair Orshefsky commented on the AHAC's consensus on this topic. In response to Commissioner McKinzie, Mr. Walters confirmed "pay in lieu of" is permissible under Broward County's affordable housing policy, commenting on the history of this issue. Further discussions ensued on the need for affordable housing and addressing this in a broad community-wide manner. Board Member Jernigan emphasized the need for a community approach to solving affordable housing needs in the same way other social issues are addressed. Mayor Trantalis discussed his perspective, citing examples such as inclusionary zoning and commenting on the position of

developers. Further comment and discussion ensued.

City Manager Feldman confirmed that currently the City has no option for developers to "pay in lieu of" or mandating a fifteen percent affordable housing component within new developments. The County requires the City to meet the County's mandate. Comments ensued on other municipalities' actions and agreements with the County on this topic. Further discussions ensued on inclusionary zoning.

Chair Orshefsky commented on the need for the City's Department of Sustainable Development's (DSD) system to include electronic reviews of affordable housing developments. She discussed affordable housing costs, commenting on AHAC's recommendations and the need for innovative thinking for various types of existing City-owned property and development funding. Chair Orshefsky thanked members of the AHAC for their efforts to take this issue to the next level.

Vice Mayor Sorensen asked about the next steps in the process. Mayor Trantalis confirmed that the Commission will have an opportunity to address the AHAC's recommendations. City Manager Feldman said a list of vacant City-owned parcels will be available, commenting that some of those parcels would be needed to address stormwater issues. He confirmed a list of available parcels would be evaluated and brought forward. He noted that small infill lots have a marketing program through the CRA, commenting on parcels in Sweeting Estates that will subsidize costs for market-rate housing.

City Manager Feldman discussed addressing all AHAC's recommendations, noting the need to carefully consider fee waivers due to replacement costs. In response to Mayor Trantalis's question, Anthony Fajardo, Director of Sustainable Development, confirmed a large surplus in the Building Fund. He noted the results of the recent Fee Study will be presented to the Commission. City Manager Feldman commented about the option to defer building fees until a project is stable.

#### **B. Inclusionary Zoning Staff Presentation**

Mayor Trantalis recognized Anthony Fajardo, Director of Sustainable Development. Mr. Fajardo began the presentation, giving a brief background, history and examples of inclusionary zoning around the country, requesting that the Commission and AHAC give Staff direction. City Manager Feldman requested that the Commission and AHAC determine a percentage of affordable housing units and identify geographic areas for inclusionary zoning.

Mr. Fajardo introduced Adam Schnell, Department of Sustainable Development Planner II, who continued the presentation on inclusionary zoning policy. Mr. Schnell noted the importance of Commission and AHAC direction to identify the location of inclusionary zones, income eligibility requirements, longevity of deed restrictions, application to both rentals and ownership and additional types of developer incentives. He commented on the need to analyze how affordable housing conditions will relate to potential inclusionary zoning policy. Mr. Schnell reviewed zoning text amendments and financial incentives (Options) to offset costs, commenting on beneficial and negative aspects of each Option. The County is considering using CRA funds and application fee reductions.

Mr. Schnell explained three options, Mandated Set-aside, Optional Incentivized Programs and Payment in Lieu of Affordable Housing Units, expounding on the details of each Option. He reviewed and explained the inclusionary zoning policies of New York City, San Francisco and Atlanta which use these Options. Mr. Schnell discussed the importance and need for annual reporting and monitoring. All programs require oversight and policy measures should take this into consideration. He discussed smaller projects where it is not practical to have a set-aside requirement that could have a "payment in lieu of" fee, noting the ability to choose any of the Options, all or a combination as appropriate and practical.

Mr. Schnell discussed Permit Fee Waivers, explaining how policies are implemented in Flagstaff, Austin, and Berkeley.

***A copy of the PowerPoint presentation is attached to these minutes.***

**C. Letter of Intent: Request for Transfer of City-Owned Land for Affordable Housing at 1801 SW 1st Avenue**

City Manager Feldman confirmed the return of property located at 1801 SW 1st Avenue that was a result of the return of the site planned for The Wave's former Maintenance Facility. On June 19, 2018, Housing Authority of the City of Fort Lauderdale (HACFL) sent a letter of intent to the City Manager to develop 125 units of affordable housing located at 1801 SW 1st Avenue Site.

City Manager Feldman confirmed Staff's intent to move forward with this request, confirming it would be adjacent to the new Fire Station,

requesting Commission direction. Further comment and discussion ensued on the location. Tam English, Executive Director of the Housing Authority of the City of Fort Lauderdale, confirmed the timeline for a purchase contract in September 2018. City Manager Feldman confirmed a purchase contract would be brought before the Commission at the Commission Regular Meeting on August 21, 2018. Commissioner Glassman confirmed his support of this idea.

Chair Orshesky commented on the results of inclusionary zoning in other municipalities, recommending Staff analyze their effectiveness. Further discussions ensued on all available options to achieve affordable housing goals and increased costs to units outside the established percentage allocation of affordable housing units. Mr. Schnell expounded on this topic, commenting on the ability to adjust policy to meet desired affordable housing goals.

City Manager Feldman noted Staff's need for Commission and AHAC direction on how to proceed. Mayor Trantalis requested Staff work with the AHAC to draft ordinances reflecting recommendations that will work for the City.

Commissioner Moraitis thanked the AHAC and Staff for their work to address affordable housing needs. She requested an update regarding what is currently available, what is in process for affordable housing and low-income housing and how it contributes to the County's fifteen percent allocation requirement. Commissioner Moraitis noted the recommendations she supports and those she opposes, expounding on her position. Mayor Trantalis recognized Board Member Jernigan who discussed the numerous ways available to address affordable housing and the need for more analysis and review by the AHAC to determine the best way forward. He commented on a nearby municipality's success for affordable housing rentals but shortfall in ownership, primarily due to deed restriction requirements and financing.

## **ADJOURNMENT**

Mayor Trantalis adjourned the Commission Joint Workshop with the Affordable Housing Advisory Committee at 1:30 p.m.