

# City of Fort Lauderdale

*City Hall  
100 North Andrews Avenue  
Fort Lauderdale, FL 33301  
[www.fortlauderdale.gov](http://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 Orshefsky 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.



**CITY OF FORT LAUDERDALE  
CITY COMMISSION JOINT WORKSHOP WITH  
JOINT AFFORDABLE HOUSING WORKSHOP  
JULY 10, 2018  
12:00PM – 1:30 PM**



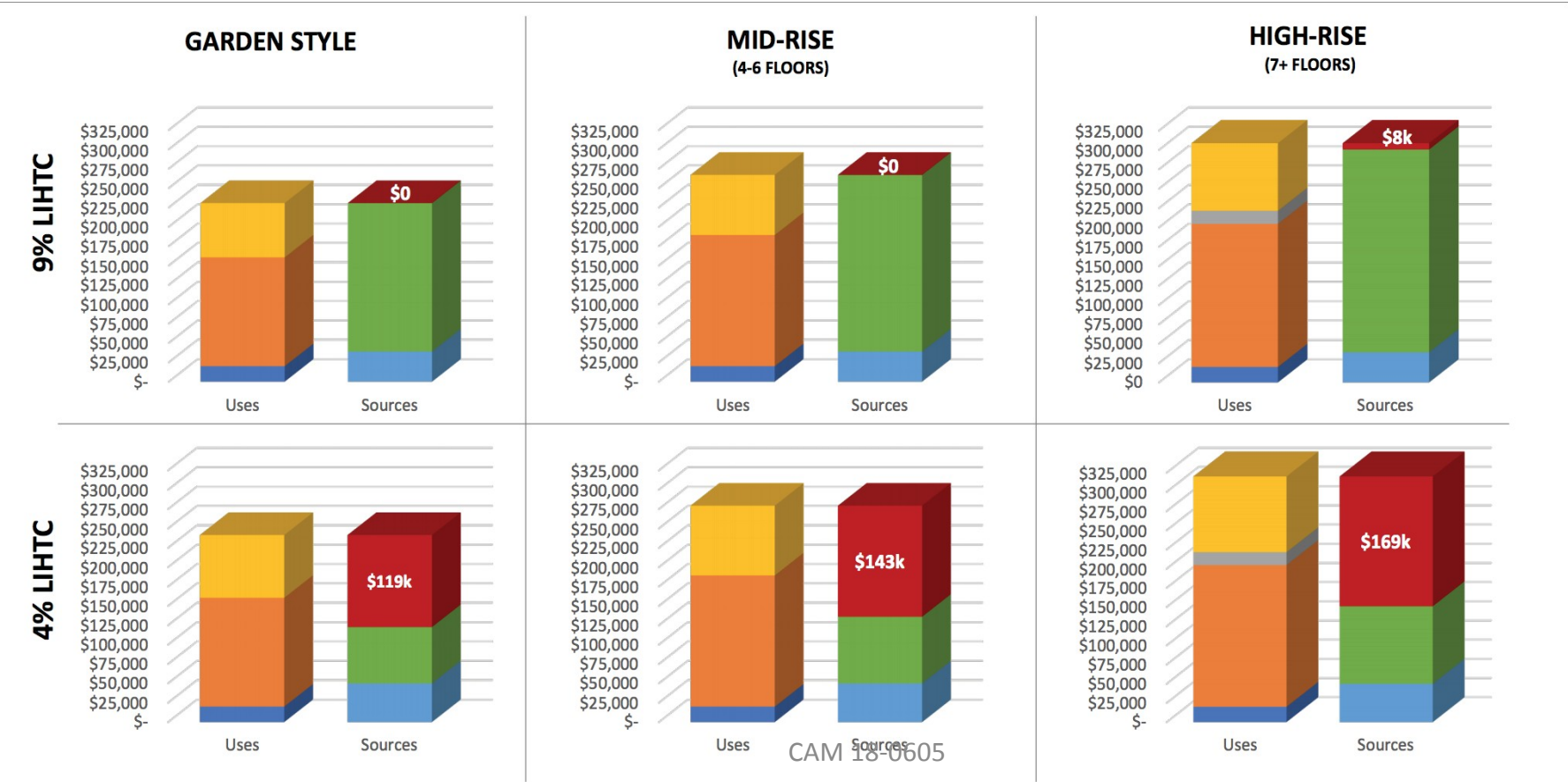
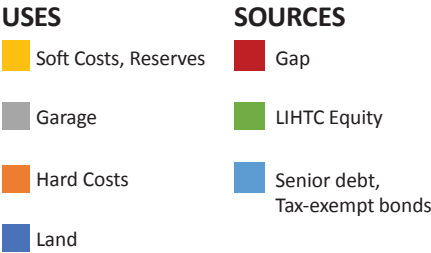
# BROWARD COUNTY-SOURCES AND USES “GAP” ANALYSIS

- The Low-Income Housing Tax Credit (LIHTC) program was created in 1986 and is the largest and most consistent source for affordable housing development and preservation in the country.
- Two types of housing tax credits are available: 9% (which are competitive) and 4% (which are non-competitive and combined with tax-exempt bonds and other subsidies).
- Since 2012:
  - In the City of Fort Lauderdale, five LIHTC communities and 645 affordable units have been funded. Of these units, 69% have been funded with 9% LIHTC and 31% have been partially funded with 4% LIHTC.
  - In Broward County, 17 LIHTC communities and 1,846 affordable units have been funded. Of these units, 60% have been funded with 9% LIHTC and 40% have been partially funded with 4% LIHTC.

# BROWARD COUNTY-SOURCES AND USES “GAP” ANALYSIS

- On average, non-competitive (4%, tax-exempt bond developments) need at least \$100k per unit in subsidy to balance the budget and keep rents affordable.
- Federal and State subsidies available to fill this gap are diminishing. At the State level, between 1992 and 2001, all of the money in Florida’s affordable housing trust funds was used for the intended purpose of funding affordable housing in Florida. Since that time, however, the Legislature has taken \$2.2 billion out of these funds for other purposes – including \$182 million in the 2018-19 state budget alone.  
[\(http://www.sadowskicoalition.org/news-2018/\)](http://www.sadowskicoalition.org/news-2018/)
- From 2010 to 2018, Broward has contributed over \$140 million more than what has been received back from the Sadowski Trust Fund to Broward County and its municipalities. (Coordinating Council of Broward, Inc.)

# BROWARD COUNTY-SOURCES AND USES “GAP” ANALYSIS



# AHAC POLICY AND PROCEDURES

- On January 4, 2017, CAM 17-0023, the Commission approved Ordinance No. C-16-30 for an Affordable Trust Fund and delegated authority to the AHAC to establish Affordable Housing Trust Fund administrative procedures.
- Commission will be required to approve the Affordable Housing Trust Fund administrative procedures which include:
  - details for fund administration
  - eligible applicants
  - eligible uses and activities
  - eligible projects
  - award preferences and selection criteria and
  - award process.

# AHAC'S FIVE EXISTING AFFORDABLE HOUSING INCENTIVE STRATEGIES RECOMMENDATIONS

1. Include Community Land Trusts (CLTs) as a strategy to provide a permanent source of affordable housing.
2. Support tax credit developments—direct financial support utilizing Affordable Housing Trust Fund.
3. Establish public-private partnerships with nonprofit and for profit affordable developers.
4. Increase the capacity of nonprofit agencies as they work to develop affordable housing by conducting workshops, training, and direct assistance.
5. Adopt corresponding ordinances to implement the programs discussed in the affordable housing plan before the end of the fiscal year.

# AHAC'S SIX NEW AFFORDABLE HOUSING INCENTIVE STRATEGIES RECOMMENDATIONS

1. Create an Affordable Housing Overlay Zoning District to permit higher density and reduced building requirements for affordable housing developments and rehabilitation, and make such Overlay available for application Citywide.
2. Place 15% of net proceeds from the sale of City owned commercial and industrial lots into the Affordable Housing Trust Fund.
3. Create a funding source to provide grants to affordable housing developers to use to offset the cost of required infrastructure improvements (i.e. water, sewer, stormwater, street lighting and sidewalks) and provide utility connection fee waivers related to new and rehabilitation affordable housing developments.

# AHAC'S SIX NEW AFFORDABLE HOUSING INCENTIVE STRATEGIES RECOMMENDATIONS

4. Create a realistic aspirational goal for the number of new affordable housing units to be developed in the City over the next 3 years.
5. Evaluate whether the City's new electronic plan review provides sufficient opportunities to expedite permitting for affordable housing, rehabilitation and new construction and if not, create a mechanism to provide such expedited processing.
6. Prepare a comprehensive list of City owned properties which are vacant or underutilized and which are suitable for affordable housing development and can be donated to an affordable housing developer.



# OVERVIEW OF INCLUSIONARY ZONING

## Inclusionary Zoning :

- Mandated Set-asides
- Incentivized Programs
- Payment in Lieu

## Financial Incentive Examples:

- Building Permit Fee Reduction / Waiver
- Impact Fee Reduction / Waiver



# INCLUSIONARY ZONING POLICY

## Considerations to Determine Policy Development:

- Location of Inclusionary Zone(s)
- Income Eligibility
- Set-Aside Requirements
- Longevity of Deed Restrictions
- Rental vs. Ownership
- Types of Incentives
- Existing Affordable Housing Conditions



# INCLUSIONARY ZONING

## Zoning Text Amendments

Setback Reductions

Height Increase

Parking Reduction

Expedited Review

Exemption of Floor  
Area

## Financial Incentives

Tax Increment  
Financing

Housing Trust Fund

Municipal Land

Redistributed County  
CRA Funds

Application Fee  
Reductions

# INCLUSIONARY ZONING

## Zoning Text Amendment Incentives

### Benefits:

- Low costs associated with text amendment changes
- Faster implementation timeline
- Can be adjusted to accommodate financial incentives programs at a later date

### Negatives:

- Limited to offsetting costs by relaxing regulatory requirements
- Existing zoning language is permissive; limited room for incentivizing



## Financial Incentives

### Benefits:

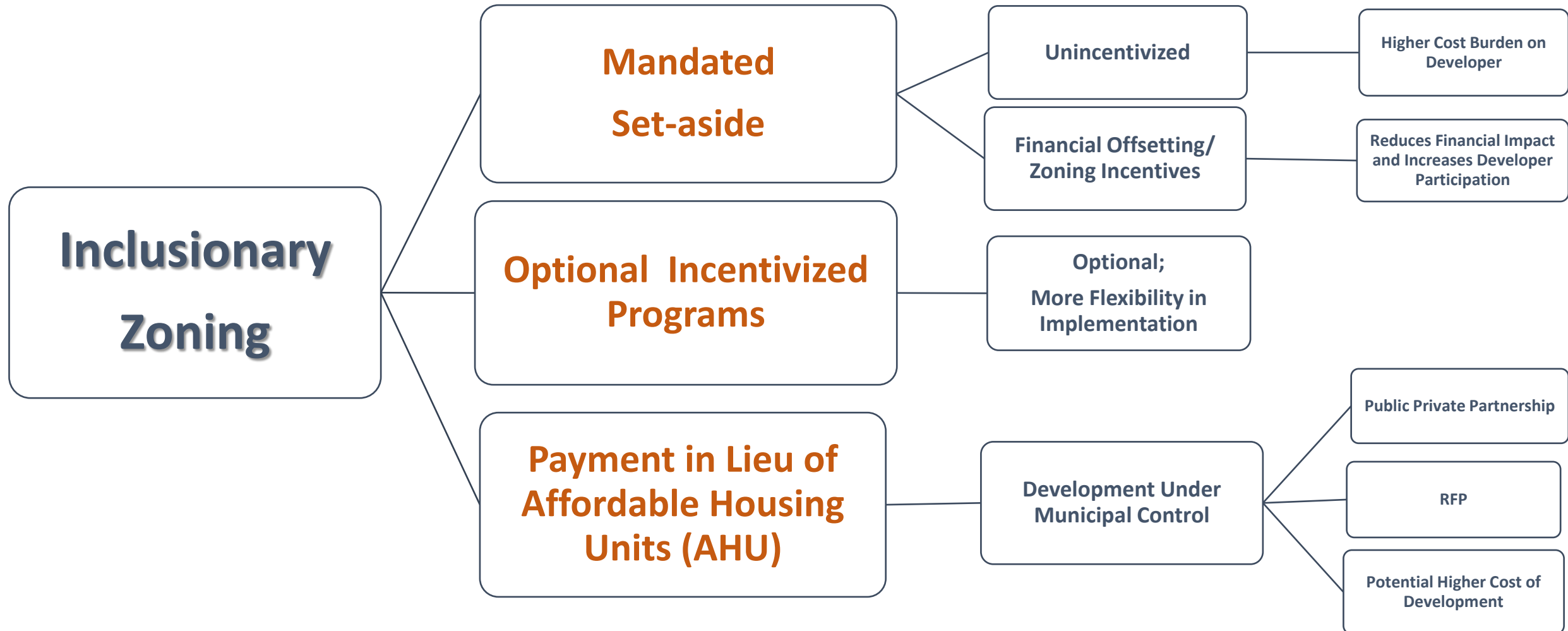
- Offsets the cost of affordable units
- Lessens opposition by development community
- Can add additional requirements for receiving funding

### Negatives:

- Slower implementation timeline
- Heavier burden on program creation, implementation and continued oversight
- Difficult to setup and interdepartmental collaboration and oversight Departments



# INCLUSIONARY ZONING



## INCLUSIONARY ZONING EXAMPLES

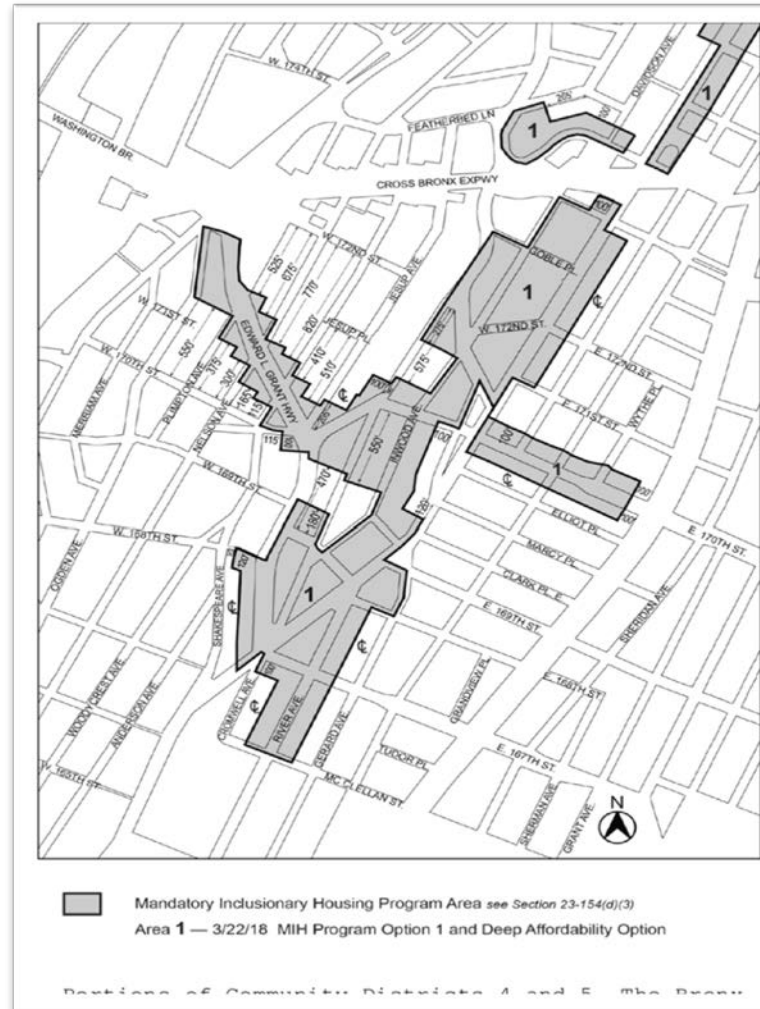
# NYC- Mandatory Inclusionary Housing

25% at 60% AMI or  
30% at 80% AMI

*City Council and the City Planning Commission could apply one or both options:*

## Workforce Option

30% at 115% AMI and;  
No residents with incomes above 135% AMI



## San Francisco - Inclusionary Zoning

### Small Projects (10-24 units)

Rental: 12% at 55% of AMI  
Ownership: 12% at 80% of AMI  
Off-Site: 20% Set-aside

### Large Projects (25+ units)

Rental: 18% at:  
10% at 55% AMI  
4% at 80% AMI  
4% at 110% AMI  
Off-Site: 30% Set-aside

Ownership: 20% at:  
10% at 80% AMI  
5% at 105% AMI  
5% at 130% AMI  
Off-Site: 33% Set-aside

# INCLUSIONARY ZONING EXAMPLES

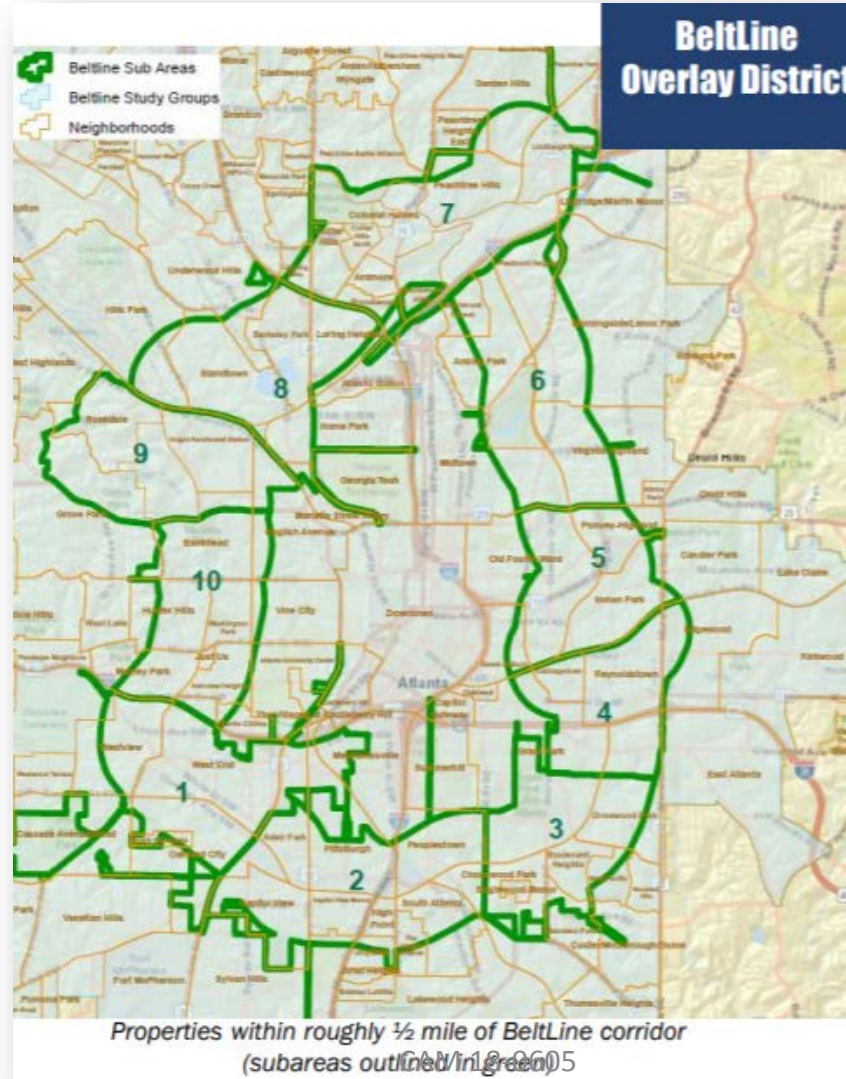
## City of Atlanta

### Inclusionary Zone Requirements:

- 10% of all new units affordable to households at 60% of area median income (AMI); or
- 15% of all new units as affordable to households at 80% of AMI; or
- One time Payment In-Lieu of Fee into the Housing Trust Fund

### Two Inclusionary Zones:

- BeltLine Overlay District
- Four Westside Atlanta neighborhoods



### Developers can select up to 3 of the following incentives:

- Increase in density bonus
- Transfer of development rights
- No residential minimum parking requirement
- Reduction in non-residential minimum parking requirement
- Priority review: SAP applications will be reviewed within 21 days
- Major project status which allows meeting with representatives from all departments.

# INCLUSIONARY ZONING EXAMPLES

## Optional Incentivized Program – New York City 421a Program

### Incentive 1

100% property tax exemption for a construction period of up to three years

### Multiple Affordability Options:

*Option A*-25%

*Option B*-30%

*Option C*-30%

*Options D-F...*

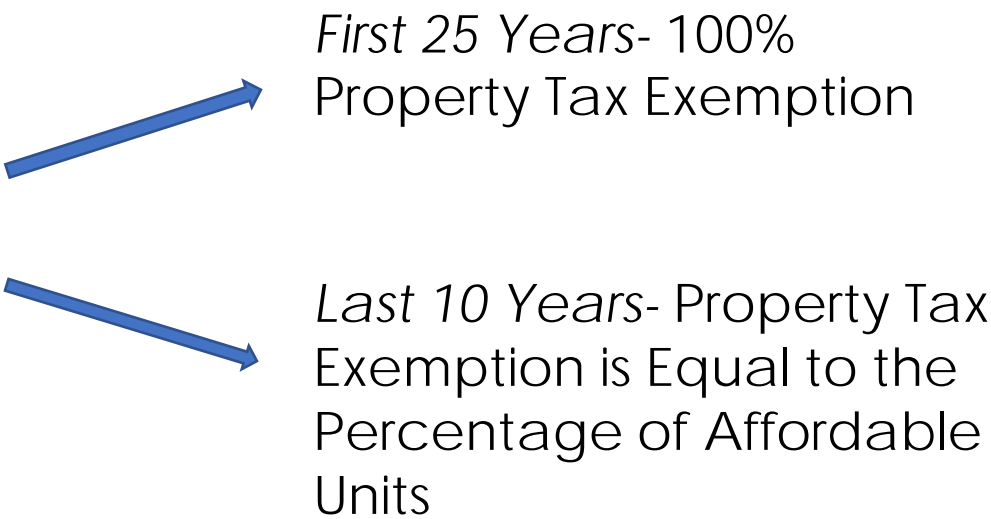
### Incentive 2

35-year Property Tax Exemption

10% up to 40% of AMI  
10% up to 60% of AMI  
5% up to 130% of AMI

10% up to 70% of AMI  
20% up to 130% of AMI

30% up to 130% of AMI  
cannot receive any government subsidies





# INCLUSIONARY ZONING EXAMPLES

## PAY IN LIEU OF FEE

- Fee to be Determined
- Use Existing Trust Fund
- Annual Reports for Monitoring
  
- Option for small or other projects where inclusion of affordable housing is not practical

Municipality	Required In Lieu Fee
Berkeley	\$15-34K per unit
Chicago	\$100k per unit
Denver	\$0.4-\$1.70 per square foot
San Jose	\$17-28 per square foot



Aria Apartments, Denver



Acton Courtyard, Berkeley



Armstrong Place, San Francisco

# FINANCIAL INCENTIVE EXAMPLES

## City of Austin

*Safe. Mixed-Income. Accessible. Reasonably Priced. Transit Oriented (S.M.A.R.T) Policy*

### **A Builder Provides Set-Aside of:**

- 10% S.M.A.R.T. Reasonably Priced Units
- 20% S.M.A.R.T. Reasonably Priced Units
- 30% S.M.A.R.T. Reasonably Priced Units
- 40% S.M.A.R.T. Reasonably Priced Units

### **Builder Receives:**

- 25% Fee Waivers & Fast-Track Review
- 50% Fee Waivers & Fast-Track Review
- 75% Fee Waivers & Fast-Track Review
- 100% Fee Waivers & Fast-Track Review



## Permit Fee Waivers



## City of Berkeley

Fees shall be automatically waived for projects receiving:

- Funds from the Housing Trust Fund, or
- Any Project Receiving City of Berkeley Affordable Housing funding

## City of Flagstaff

### **Affordable Housing Homeownership:**

115% of AMI -fees waived for the individual affordable units

### **Affordable Housing Rental:**

20% or more of units deed restricted for 25 years at 80% of the AMI



# LETTER OF INTENT TO DEVELOP AFFORDABLE HOUSING

- On June 19, 2018, Housing Authority of the City of Fort Lauderdale (HACFL) has sent a letter of intent to the City Manager to develop 125 units of affordable housing located at 1801 SW 1<sup>st</sup> Avenue property.
- The Housing and Community Development(HCD) and The Department of Sustainable Development (DSD) Department's will work together drafting a CAM to discuss HACFL request to acquire parcel of land located at 1801 SW 1<sup>st</sup> Avenue from the City to develop 125 units of affordable housing.