

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 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

Approved
AFFORDABLE HOUSING ADVISORY COMMITTEE
MEETING MINUTES
CITY OF FORT LAUDERDALE
100 NORTH ANDREWS AVENUE
CITY COMMISSION CHAMBERS
7th FLOOR CONFERENCE ROOM
MONDAY, NOVEMBER 26, 2018 – 9:00 A.M.

<u>Committee Members</u>		<u>Attendance – July 2017 through October 2018</u>	
		Present	Absent
Debbie Orshefsky, Chair	P	15	1
Roosevelt Walters, Vice Chair	P	16	0
Peter Cooper	P	15	1
Frances Epstein	A	12	3
Donnalee Minott	A	12	4
Edwin Parke	P	2	1
Mitchell Rosenstein	P	15	1
Brandon Stewart	A	14	2
Nancy Daley	P	4	2
Margi Northard	P	4	1
Skeet Jernigan	P	1	0

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

Staff

Avis Wilkinson, Housing Programs Administrator/Staff Liaison
Adam Schnell, Urban Design and Planning
Lorraine Tappen, Urban Design and Planning
Akilah Grant, Senior Accounting Clerk
Chris Cooper, Deputy Director, Department of Sustainable Development
Rachel Williams, Housing and Community Development Manager
Ella Parker, Urban Design and Planning Manager
Jim Hetzel, Urban Design and Planning
Jamie Opperee, Recording Secretary, Prototype, Inc.

Communication to the City Commission – None.

I. ROLL CALL / DETERMINATION OF QUORUM

Chair Orshefsky called the meeting to order at 9:10 a.m. Roll was called and it was noted that a quorum was present.

Chair Orshefsky advised that passwords for the City web email addresses have expired and can only be set up by the Administrator.

Ms. Wilkinson requested that anyone who cannot access their City email contact her so IT can be made aware of the situation.

Chair Orshefsky requested that Ms. Wilkinson ask IT to authorize Committee members to set their new passwords because this will happen every 90 days.

II. APPROVAL OF MINUTES – October 15, 2018

Motion made by Vice Chair Walters, seconded by Mr. Rosenstein, to approve. In a voice vote, the **motion** passed unanimously.

III. OLD BUSINESS

- **Affordable Housing Trust Fund Policy**

Chair Orshefsky advised that this is done and moving forward.

- **Homelessness**

Ms. Wilkinson stated that this was briefly discussed.

Chair Orshefsky heard that plans to reclaim the County deal with encampment outside the library would be implemented in early December.

Ms. Northard mentioned that there are many issues; perhaps additional information could be provided. Ms. Northard suggested deferring this item to the next meeting.

- **New Local Housing Assistance Plan for 2019-2020, 2020-2021 & 2021-2022**

Ms. Wilkinson advised that there is a new draft for a different time period and paper copies were distributed.

Chair Orshefsky mentioned the last plan regarding multi-family and the creation of new multi-family rentals. It is clear in the market place that affordable multi-family rentals are desperately needed; however, there is not a strong policy statement about that in the LHAP. The Committee pushed six recommendations in the Affordable Housing Advisory Committee Incentive Report, which already went to the Commission, were approved, and are moving forward. Chair Orshefsky was not aware of changes that need to be made in the LHAP to do the things this Committee wants to do.

Ms. Wilkinson indicated that basic strategies were added. There is a list of items that are set to both strategies. If any strategies are thought of, there will have to be details. A template has been created with the basic things, so the new draft should be compared to the old draft. The new proposed draft has a list of what SHIP gives for applicable strategies. The key is that this is a roadmap for what is going to work, and this Committee needs to make sure this is going to work for the community. Committee members are welcome to email any feedback or bring comments to the next meeting.

Chair Orshefsky referenced Page 12, Item D, where it says, "There is a maximum award of \$1,000 for developments" and questioned if that was a typo; it should be \$5,000.

Ms. Wilkinson clarified that is a typo and should be \$5,000.

Chair Orshefsky requested that this draft document be sent to all the Committee members in Word so edits could be made.

Ms. Wilkinson requested that any changes be provided three days ahead of time.

Chair Orshefsky believed this was important and told the Committee to think about how this is used as a statutory matter; it is just checking boxes.

Ms. Wilkinson advised that strategies listed are strategies that SHIP money can be used for, so it is more than checking boxes; details must be listed. The Committee for the Affordable Housing Finance Corporation will read each strategy to make sure it is logical.

Mr. Jernigan referenced Page 12, Item D of the new draft, and noted that the maximum award was \$10,000 for developments with five units or less. The old draft said the maximum award was \$20,000 per unit, up to four units. Mr. Jernigan questioned when the decision was made to reduce the maximum award.

Chair Orshefsky commented that the amount should be blank. Chair Orshefsky stated that the exercise is a statutory requirement, but this Committee spends months working on the AHAC report. Committee members need to think about what aspects of the Affordable Housing Advisory Committee report need to be incorporated into the LHAC report to make the most use of the recommendations and incentives. These are two separate documents and the key question is, "Why hasn't the AHAC report been incorporated into the LHAP?" Currently there is an expectation of SHIP dollars coming to the City of approximately \$200,000; however, this is a three-year plan. Chair Orshefsky questioned if it was permissible to talk about percentages instead of about hard dollars in these sections. A certain amount of SHIP money would go towards

rehab, reconstruction, and new ownership and a certain percentage would go towards encouraging and incentivizing rental housing and multi-family. That would be a huge policy decision that this Committee needs to make and take to the Commission.

Mr. Jernigan mentioned tax money generated in Fort Lauderdale and questioned if those numbers were known.

Chair Orshefsky indicated that the City of Fort Lauderdale sent \$68 million to the Sadowsky Fund last year and about \$8 million was received, which was distributed throughout all the Cities. That could be changing, so instead of locking into some specific amount based upon the dollars received today, there should be thought about whether these are percentage based.

Ms. Wilkinson advised that the final decision would be from the Affordable Housing Finance Corporation. If what is sent is not acceptable it must be changed.

Chair Orshefsky suggested checking with the Affordable Housing Finance Corporation to see if percentages are permissible.

Ms. Wilkinson stated that there are set asides; therefore, ownership and construction have to be met. A lot of the incentives this Committee came up with will be under the LHAP incentive strategies, but none were placed there. Page 14 was referenced and it was noted that only two incentives were put there because they were mandated, others could be added. Ms. Wilkinson was looking for direction from the Committee as to what should be added. The key is keeping the set asides in place.

Mr. Rosenstein recalled a lot more dollars to work with when this report was done. In looking at these numbers, he questioned what percentage the dollars represent. Mr. Rosenstein questioned the State's minimum allocation as a percent of total SHIP funds.

Ms. Wilkinson mentioned Page 25 of the previous report and noted that over \$1 million was used. The hope is that the next distribution would be higher. The lower amount does not have to be used, the previous amount could be used, which would be logical. As far as allocation, the Committee must come up with what allocation is going to be used; she did not suggest using the \$234,000. Ms. Wilkinson advised that she would write out the set asides and reiterated that anyone who has not been receiving emails through their new email address should email her immediately so that can be taken care of.

Mr. Cooper questioned if Ms. Wilkinson felt that these were realistic percentage based on the previous report.

Ms. Wilkinson stated that it was kept simple. The statute requires 75% of total distribution for home ownership and 65% of that whole distribution must be used for construction. There is 20% for special means that falls within either one of those. Ms. Wilkinson finds the program income useful because there is flexibility and the money can be used for anything.

Mr. Rosenstein requested that the requirement be shown with backup.

Ms. Wilkinson advised that she would send a copy of the SHIP set-aside requirements and noted that the State's requirement is in the statute.

Chair Orshefsky believed having meetings in conference rooms rather than in the City Commission Chambers would be a more productive setting and requested that future meetings be held in one of the conference rooms.

Ms. Wilkinson stated that she would do her best to accommodate the Committee's wishes.

- **Affordable Housing Trust Fund current balance**

Ms. Wilkinson advised that the balance for the Trust Fund is currently \$766,982.63.

IV. NEW BUSINESS

- **2019 AHAC Meeting Dates**

Chair Orshefsky indicated that a schedule was circulated for the 2019 meetings and it was agreed that the meetings need to be rescheduled to 9:00 a.m. to 11:00 a.m.

Motion made by Vice Chair Walters, seconded by Mr. Jernigan, to approve the 2019 meeting dates. In a voice vote, the **motion** passed unanimously.

- **Urban Planning and Design's discussion of Housing Recommendations and Introduction of TOD Grant Consultant Team**

Adam Schnell, with the Urban Design and Planning, provided a Power Point presentation regarding Affordable Housing and Inclusionary Zoning. AHAC recommendations would be mentioned and affordability would be defined. Inclusionary Zoning policies would be discussed as well as Affordable Housing Trust Fund recommendations and next steps.

Chair Orshefsky requested that Mr. Schnell email Ms. Wilkinson with the City's policies on applying Affordable Housing units and the County's current policy, which may be changing. The City's application may be more draconian than the County's application. Vice Chair Walters mentioned the 10,999 flex units and the 1,901 Affordable Housing units and questioned if they are in the City of Fort Lauderdale.

Mr. Schnell clarified that the units are in the City of Fort Lauderdale. A developer must apply for those units and adhere to certain County requirements to receive those units.

Mr. Jernigan wanted to ensure that the decision about various policies on how that program is going to work comes before this Committee for discussion before staff commits to things on paper. Mr. Jernigan mentioned that the project for County units must be 50% Affordable Housing.

Chair Orshefsky indicated that one of the tools the County created in Broward Next are redevelopment units. It was believed that all the flex units had to be used before getting to the redevelopment units, but it is also a percentage of the number of units. More units do not need to be added to the plan because 3% of some of the units are redevelopment units, which the City must ask for, it is not a process.

Mr. Schnell continued with the Power Point presentation regarding rent limits and median family income. The focus may be on 60%, 80% and 100% and not the 120% because it is a little high.

Ms. Northard questioned the basis for focusing on Workforce Housing.

Mr. Schnell advised that there is a need in the City for Workforce Housing; it also strikes a balance between developers and the community. Focus is on Workforce Housing for the Inclusionary Zoning policy and that is why there is also a focus on the 60% level. Based upon on their analysis, 120% is currently at market, so that needs to be adjusted.

Chair Orshefsky questioned if a market analysis was done to vet these numbers in terms of dropping the 120%.

Mr. Schnell stated that average rents Citywide are approximately \$1,500 for a one-bedroom, a little over \$2,000 for two bedrooms, and \$2,500 for three bedrooms.

Ms. Northard questioned if there was a way to determine what the needs are.

Mr. Schnell indicated that data from 2012-2106 was reviewed and based upon on the need analysis, it is a little lower than what is provided and that is why it should be lowered to the 60% level.

Ms. Daley questioned if this Committee was only going to be dealing with Workforce Housing or if they would be going down the spectrum. Ms. Daley previously requested numbers and would like to see what percentage for the need for Affordable Housing is in every sector.

Mr. Schnell stated that was up to the Committee, but for the Inclusionary Zoning aspect, Workforce Housing is the focus. Mr. Schnell did not have a need analysis.

Chair Orshefsky advised that there is a specific policy, procedure and formula under the Broward County Land Use Plan that was very heavily debated.

Mr. Schnell mentioned that a need analysis was conducted based upon those Federal requirements.

Chair Orshefsky indicated that the Committee would like to see that analysis. Chair Orshefsky stated that in terms of the Inclusionary Zoning policy, staff appears to be recommending that the policy should apply to the 60% to 120%. The 60% and below is much of the SHIP that is discussed routinely and is within the normal course of this Committee's work as the Affordable Housing Advisory Committee.

Ms. Northard believed the question was why below 60% was being excluded from the proposed Inclusionary Zoning program.

Chair Orshefsky indicated that there are Federal programs and tax credit programs, as well as other programs available for individuals earning 60% or below. There are no tax credit programs for anything above 60%.

Mr. Rosenstein stated that historically, tax credits have been 60% and below and there has not been a tax credit subsidy for anything above 60%. The IRS recently adopted income averaging policies, which would let them run up to 80% AMI, but only a portion of units could go up to 80% income in rents. There is no dedicated Federal program for 80% to 100% or 80% to 120%. Basically, the tax credit program for new developments and non-existing developments was expanded to allow for units rented up to 80% AMI. There is no dedicated source of funds yet.

Ms. Northard commented that 80% to 120% is similar to market.

Mr. Schnell indicated that was correct, but they have to project out, things will not always stay constant. As rents increase there will be a larger differential. Another reason for focusing on 60% to 100% was because the differential is so large. If financial incentives are not created within the City, the developers are being asked to fulfill a lot of money.

Mr. Cooper questioned how many families fall within this parameter being considered.

Mr. Schnell advised that about 36% of all households are encompassed within a municipality, but need analysis wise, is between 50% and 60%.

Vice Chair Walters commented that even if this Committee knew the exact number it is unknown where the people are.

Ms. Tappen indicated that Kittelson and Associates is the consultant for the TOD study; a marketing and needs analysis is being prepared and they will be coming back to this Committee next month.

Mr. Schnell believed that most impoverished people currently reside in the northwest RAC. This policy focuses on Citywide efforts to distribute Affordable Housing throughout the City. As stated earlier, there are approximately 5,000 units left in the northwest RAC, meaning that area is not eligible for years to have any Affordable Housing built under this program. The focus would be everywhere else in the City on the major corridors and Downtown.

Mr. Schnell continued with the Power Point presentation regarding people per household. Internal discussion would be needed to determine numbers for the RAC versus sale.

Mr. Rosenstein questioned how many people per bedroom are in Workforce Housing units. Mr. Rosenstein believed it is 1.5 people per bedroom for rentals.

Mr. Schnell advised that HUD standards say approximately two per bedroom. There was a press release that said there could be up to two people per bedroom, but that is situational. A household of four individuals could rent a three-bedroom, meaning it would be far less than 30% of their income going towards housing costs.

Ms. Northard requested a copy of this literature.

Chair Orshefsky noted that literature could be provided to Ms. Wilkinson so it could be distributed to Committee members.

Mr. Schnell continued the Power Point presentation regarding set aside requirements and deed restrictions. A National Nexus study is needed for the payment in lieu of. Based upon discussions with Ralph Stone, with Broward County, the County is completing a study that can potentially be utilized for the City, which would set an amount that is somewhat equitable for payment in lieu of.

Chair Orshefsky suggested checking with Mr. Stone. The County is looking at the payment in lieu of as a linkage fee approach, which would affect residential, new development, and on-residential. Their analysis of amount per unit may be calculated for a different purpose.

Mr. Schnell advised that it would be determined if adjustments were needed. They may have to create their own study.

Chair Orshefsky questioned the basis for figuring out what an appropriate amount would be to burden a residential developer when calculating the payment in lieu.

Mr. Schnell stated it would be the price for square footage for building an actual unit.

Mr. Jernigan believed that was the wrong approach. The need for providing Affordable Housing is a community-wide need and the community needs to find a way to participate in the process, not just the builder of the house. It is not logical or financially feasible to expect developers to be the 100% respondent to providing Affordable Housing. The point is that the analysis should be made based on what is needed to provide a unit; the development would be responsible for a certain percentage and the rest would be found elsewhere in the community.

Mr. Schnell mentioned how some of these costs are offset so it is not as large of a hit to the development community. It was noted that there are potential financial and zoning offsets; zoning text amendments and financial incentives. Setbacks and height reduction are somewhat hard to implement in particular areas. The City has already adopted a parking reduction for Affordable Housing units, which is a one for one reduction per unit provided. Expedited review processes are being considered, which would lower costs as well as quicken the review process. As far as financial incentives, there is automatically a decrease in property taxes. A tax increment financing area was set up and if the City has a mechanism for doing so it could be mimicked. Utilizing money from the Affordable Housing Trust Fund to offset development costs or support other programs; maybe the payment in lieu of could go to help funding the Affordable Housing Trust Fund.

Vice Chair Walters expressed concern about the County not going into the Affordable Housing Trust Fund, but it was stated at their Workshop that Cities who have a Trust Fund must participate in their Trust Fund. Vice Chair Walters questioned how that was going to work.

Mr. Schnell stated that he would investigate.

Chair Orshefsky indicated that currently there is no funding for the County's Affordable Housing Trust Fund that just passed. Through discussions heard, the County is looking at a minor increase in millage that could be put directly into the Affordable Housing Trust Fund. Until the County knows what their funding sources are, it is unclear how that would affect what is being done. Chair Orshefsky suggested having Ralph Stone, Executive Director of the Housing Finance Authority of Broward County, come to a meeting to explain what direction the County is going.

Mr. Rosenstein agreed that what the County is doing must be known before making any decisions about an additional funding source for the Trust Fund. Mr. Rosenstein questioned how much research has been done on decreasing property tax assessments.

Mr. Schnell advised that another group is looking into the financial incentives for the City. An inquiry has been made and Mr. Schnell is awaiting a response from the City.

Mr. Rosenstein indicated that there is currently a statute that applies to Affordable Housing, but it specifically references tax credits. There might need to be a statutory amendment to include Workforce Housing and not just Tax Credit Housing.

Mr. Schnell stated that things could be taken from the Inclusionary Zoning and applied throughout the City for all other Affordable Housing efforts.

Chair Orshefsky advised that in terms of what this Committee does, the framework is sent for implementation of zoning text amendments. That has been communicated to the City Commission and staff is already incorporating some of that. The parking reduction has already occurred and the other elements will come as part of all these exercises.

Ms. Wilkinson indicated that they must be adopted and implemented prior to proceeding. As mentioned, for the SHIP program there are only two that are mandated, one is the expedited review and the other is an ongoing review of the City's different plans.

Chair Orshefsky commented that the LHAP report must be discussed, as a graph must be given to staff by December. The tax increment financing incentive was mentioned and Chair Orshefsky questioned if that was outside of a CRA setting.

Mr. Schnell stated that another tax increment financing district could be implemented.

Chair Orshefsky suggested talking to the City Attorney's office regarding if that could be done under Florida Law without County consent.

Mr. Schnell continued with the Power Point presentation and noted that the other topics could be done in one meeting.

Chair Orshefsky noted that Item 6 has been done. The majority of the sites owned by the City that have any substantial size are next to the airport and are not permitted. Ms. Wilkinson circulated a list with everything that was more than two acres and none of them were meaningful. Ms. Wilkinson can forward that information.

Ms. Parker mentioned that perhaps the Committee would entertain the government's new Opportunity Zone program since the CRA is going away.

Chair Orshefsky believed that the only people who make money in an Opportunity Zone are the fund managers.

Mr. Jernigan mentioned small development at 10% and large development at 15% set aside and noted that no one has ever attempted to split the size of developments. Everyone across the board is 10%; 15% seems to get a little too burdensome for the developer, especially for market rate purchase homes, not so much for rentals. Mr. Jernigan thought it would be detrimental to the construction of for sale single-family units.

Mr. Schnell stated that nationally, 15% is not high. It was believed that 10% was too low, 20% was too high and 15% was good. That policy is needed because it may go condo in the future. Once a rental building is converted into a condo there must be a policy in place for selling the units because they might decide to sell the building.

Ms. Northard questioned how the proposed policy differentiates from the new City of Miami policy in terms of percentages.

Mr. Schnell stated that this policy is geared towards the needs of the City of Fort Lauderdale. During a meeting last week, it was noted that the land cost in the City of

Fort Lauderdale was half of Miami land costs. Mr. Schnell stated that a comparison to percentages and overall land area could be done.

Ms. Parker commented that the TOD consultant was coming to the next meeting and questioned if Ralph Stone should come to the following meeting.

Chair Orshefsky suggested giving Mr. Stone time to deliver a program to fund the Affordable Housing.

Ms. Williams piggybacked on the parking reduction and stated that the ordinance was on the next Commission agenda.

V. AGENDA TOPICS FOR NEXT MEETING – None.

VI. GOOD OF THE ORDER – None.

VII. NEXT SCHEDULED MEETING DATE – December 10, 2018 - City Commission Chambers

VIII. ADJOURNMENT

There being no further business to come before the Committee at this time, the meeting was adjourned at 10:38 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 C. Guifarro, Prototype, Inc.]



CITY OF FORT LAUDERDALE

Approved
AFFORDABLE HOUSING ADVISORY COMMITTEE
MEETING MINUTES
CITY OF FORT LAUDERDALE
100 NORTH ANDREWS AVENUE
CITY COMMISSION CHAMBERS

1st FLOOR CONFERENCE ROOM

MONDAY, JANUARY 14, 2019 – 9:00 A.M.

Committee Members		Attendance – July 2018 through December 2019	
		Present	Absent
Debbie Orshefsky, Chair	P	7	0
Roosevelt Walters, Vice Chair (Until 10:0 a.m.)	P	6	1
Peter Cooper	P	6	1
Frances Epstein	P	6	1
Donnalee Minott	P	6	1
Edwin Parke	P	7	0
Mitchell Rosenstein	P	6	1
Brandon Stewart	P	6	1
Nancy Daley	P	5	2
Margi Northard	A	5	2
Skeet Jernigan (Arrived at 9:09 a.m.)	P	4	2

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

Staff/Guests

Avis Wilkinson, Housing Programs Administrator/Staff Liaison
Adam Schnell, Urban Design and Planning
Lorraine Tappen, Urban Design and Planning
Akilah Grant, Senior Accounting Clerk
Edward Ng, Corradino Group
Ella Parker, Urban Design and Planning Manager
Jim Hetzel, Urban Design and Planning
Jamie Opperee, Recording Secretary, Prototype, Inc.

Communication to the City Commission – None.

I. ROLL CALL / DETERMINATION OF QUORUM

Chair Orshefsky 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 – December 16, 2018

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

III. OLD BUSINESS

- **Presentation by Ralph Stone, Broward County**

Mr. Stone. Director of the Housing Finance and Community Development Division for the County, and the Executive Director of the Housing Finance Authority, oversees the Countywide Redevelopment policies and programs. Mr. Stone provided a brief Power Point presentation. It was noted that there is a serious problem in the Metro area, Miami-Dade, Broward, and Palm Beach, because they are known as the worst in the Nation as far as severely cost burdened plus transportation. Housing costs are very high and only 20% of the families or individuals can afford to buy a home. These Counties are also among the highest in the Nation and are the highest in the Southeast as far as rent. A website; Rentcafe, evaluated the most expensive rental zip codes in the Nation and in the Southeast; the most expensive rentals were in Downtown Fort Lauderdale. About three or four months ago, the County Board had a Workshop on Affordable Housing and touched on many issues. Specific actions were taken on areas to be pursued as follows:

- Making the Sadowski Funding a component of the State Constitution.
- Providing \$5 million in General Funds for Affordable Housing to go to Gap Financing for new multi-family.
- Updating the Rational Nexus Study. A draft will be ready by the end of the month and residential will be included. A Countywide Needs Assessment will be available a month or so after the Rational Nexus Study.
- Requesting Housing Counsel engage in advocacy to fully fund the Sadowski Fund, which has been initiated.
- Establishing a land bank and looking at properties around the County, understanding that land cost is the heavy anchor dragging production of new Affordable Housing and Multi-Family Housing, which is the biggest need.

Mr. Stone mentioned that the Housing Trust Fund was on the ballot a few weeks ago and passed, so it is in place. There is no attendant funding source, but the \$5 million approved for this Fiscal Year will go in there, which means it cannot be used for anything other than Affordable Housing. Any future sources of revenue designated for Affordable Housing will go in the Trust Fund and cannot be swept or moved like the State is doing with the Sadowski Fund.

It was noted that that there is a serious problem in the Metro area, Miami-Dade, Broward, and Palm Beach, because they are known as the worst in the Nation as far as severely cost burdened plus transportation. Housing costs are very high and only 20% of the families or individuals can afford to buy a home. These Counties are also among the highest in the Nation and the Southeast as far as rent. A website; Rentcafe, evaluated the most expensive rental zip codes in the Nation and in the Southeast; the most expensive rentals were in Downtown Fort Lauderdale. Broward County is also the worst of the three Counties in terms of gaps for required Multi Family and Elderly Housing. Miami-Dade is not only enjoying their share of the Sadowski Fund, but a surtax that has been in place going on the third decade, which can raise \$40 to \$50 million a year. That is being pursued for Broward County and has been a top agenda item on the Legislative agenda for several years. Fort Lauderdale is Broward County's biggest City and the Downtown RAC was mentioned, which has a 15% set aside in exchange for the bucketing units. When doing an Affordable Housing subsidy, requests must be sensible, or nothing will happen. There is some middle ground to meet in the current economy and the County and City need to press a little harder.

Vice Chair Walters attended the Commission Workshop regarding Affordable Housing about six months ago and that was the first time he heard about the Broward County Housing Trust Fund. At that meeting, someone stated that each of the municipalities would be required to contribute something into the Trust Fund to get something out of it. Vice Chair Walters expressed concern about that requirement because part of the money going into the Trust Fund was coming from the fate of the CRA and questioned if that was still the situation.

Mr. Stone explained that there was a discussion about requesting the Cities collectively to come up with \$5 million Countywide, which is about \$2.30 per person; however, the County Board did not direct him to pursue that. In terms of looking for recurring resources, the County Board agreed that when the tax increment areas start to expire; there are 13 Countywide and their share of that total is currently around \$40 to \$50 million a year. As those expire, the Board direction to staff was to allocate half of the money to Affordable Housing and half to Economic Development on a Countywide basis for Cities that do not have tax increment financing. Fort Lauderdale and Pompano Beach expire next year and collectively they will be around \$10 million, so the \$5 million the Board has been allocating out of the General Fund would be replaced by the \$5 million coming back from the tax increment and then the other half would go to Economic Development. That is important because in over about ten or twelve years when they all expire, the share for Affordable Housing will be upwards between \$30 and \$50 million.

Vice Chair Walters advised that he would like to meet with Mr. Stone personally to discuss some major issues. Broward County is a donor County to the State in almost

everything that goes on in this State and more dollars are given than received. Vice Chair Walters questioned how to make Affordable Housing a Countywide issue if all Cities are not required to participate.

Mr. Stone indicated that there was not a City in the County that did not have an Affordable Housing demand at one of the cohorts or another; very low, low, or moderate. At the County level, there needs to be more "horsepower" brought to the table and Cities need to step up their game. Support is needed from the Cities as well as the business and non-profit communities, and the County. At some point, the State must recognize there are a lot of poor people in terms of wages relative to the cost; these are people from service jobs to Police Officers, Firemen, and teachers; they cannot afford a home or the average rent and that has to be corrected.

Mr. Jernigan acknowledged the passage of the Affordable Housing Trust Fund Countywide vote because that reflects that the community is beginning to have more of an interest and concern, which is the biggest efficiency problem. The businesses that pay the lowest wages are the ones whose employees are most in need and those businesses are the ones that cry the loudest when there is talk about a Linkage fee. Hotels and restaurants pay their employees at a rate that is insufficient for Affordable Housing and the businesses need to be part of the solution. The question is how to put enough shame on those people to make them come to the table. There must be a concerted effort to bring forward a multi-faceted funding assistance program that brings enough constituents in so one constituent group cannot sink the others. Mr. Jernigan challenged Mr. Stone to look at other ways to address the funding issue, so the package is big enough, so it cannot be ruined by one constituency. Another issue the County should look at is utilization of surplus properties as a way to provide additional support for the Affordable Housing Trust Fund. Mr. Jernigan would be concerned about requiring all the Cities to participate in the County's Trust Fund Funding because that seems to set up a mini Sadowski sweep operation; it might be better for Cities to control their own dollars.

Mr. Stone indicated that the County Board agreed with that. The intent was not for the Cities pay into the County, but that Cities raise the funds and use it themselves.

Mr. Jernigan mentioned that the City could come a long way if those individuals who receive their pay through the County Commission, School Board, and the tax supported Hospital District, saw their wages rise. That would also be a way for the entire community to participate in solving the Affordable Housing project process. Those individuals do not get their salaries generated from cash the County makes, they get their salaries from the taxpayers. Mr. Jernigan stated that all the Counties except Miami-Dade might be better off advocating to the State Legislature to abolish the

Sadowski Act and in its place, allow local governments to implement a real estate transfer tax like Miami has, which would put the money back at the local level.

Mr. Stone stated that idea has been floated internally and discussed with the County Board. There are 17 Counties in the State that do not meet the minimum amount, so they get a minimum of \$350,000. It was suggested that the level stay the same. The mechanism to raise the funds is in place and has been absorbed. The County would like to see a minimum of 90% of the funds in all the Counties that pay 90% of their funds be retained in the County. It is a sin that \$33 to \$35 million a year is sent to Tallahassee and \$4 million a year is received.

Mr. Jernigan commented that Miami-Dade has a real estate transfer tax and they do not send anything to Tallahassee to the Sadowski Fund.

Mr. Stone indicated that Miami-Dade gets the Sadowski Fund and their own surtax that never leaves town.

Chair Orshefsky mentioned that while at the County Commission meeting last week, there was a question about the County looking at surplus lands and issuing an RFP. Chair Orshefsky questioned the status of the RFP and what was being done, if anything, to identify County-owned properties that could be put out for an RFP.

Mr. Stone stated that the County Commission has been generous with County-owned property. They are down to individual single-family lots and if the lots are in Fort Lauderdale they are transferred to Fort Lauderdale. The County is about to transfer 20 lots to Pompano. The lots the County keeps in the unincorporated area between 27th and 31st north of Broward Boulevard are almost into their 100th home in the last ten years. There are currently 40 homes under construction with ten different non-profits and the County gives the lots to the non-profits; along with \$20,000 pre-development, and guarantee purchase assistance. There are hundreds of lots seeded to the County every year and the policy is to transfer them back to the Cities. In the past, the Cities were required to use the lots for Affordable Housing and the lots were given back to the County during the recession.

Chair Orshefsky mentioned the Needs Analysis and the Linkage Study and questioned the timeframe.

Mr. Stone indicated that a draft is expected of the Linkage Fee and the Rational Nexus Study by the end of the month and the Needs Assessment a couple months later.

Chair Orshefsky requested that the Linkage Fee Study and the Needs Assessment be forwarded to Ms. Wilkinson, so it could be distributed to the Board.

Ms. Epstein questioned the mechanism to get the full share of Sadowski Funds brought back to the City.

Mr. Stone stated that this year, the priority was fully funding. If it was fully funding, their share this year would go from around \$400,000 to over \$5 million; Countywide it would go from around \$4 million to \$15 to \$16 million. The strategy is to get fully funded and get the full share of funding. If that cannot be accomplished through Florida Housing, then it is time to look at changes to the Legislation or to the Constitutional Amendment.

Ms. Epstein questioned how long it could take to achieve that goal.

Mr. Stone believed they are a year each; therefore, it would be out another two or three years before getting aggressive. There are sponsors both in the House and Senate this year to pass a Bill that would prohibit sweeps of the Sadowski Fund.

Mr. Stewart commented that the Council is starting advocacy efforts and requested that Mr. Stone talk about that and any coordination with other organizations around the County or different Cities.

Mr. Stone stated that the Housing Counsel meets bi-monthly and that is one of their priorities.

Chair Orshefsky welcomed Darryl Cunningham, Community Partnership Division Director.

Mr. Cunningham advised that he oversees three areas; the homeless initiatives, the COC Board, Healthcare HIV Ryan White Grants, and Children Services. On November 26, 2018, their Homeless Collaborative started a Comprehensive Plan to address the encampment issue Downtown. The Collaborative is made up of many different agencies and Governmental entities and this was started with the initiative of "Home for the Holidays". The Collaborative successfully achieved a major milestone getting individuals, families, and some of their pets out of the encampment into different locations. In total, 80 individuals moved away from the encampment; 28 individuals found eligible places with rapid rehousing, and 26 individuals found permanent supportive housing. The Collaborative is continuing to engage with those individuals and there will be another 15 individuals who will find their next level of placement; hopefully within the next five to ten days, and by the end of the month the Collaborative will be working with others who have more complex situations. On a weekly or bi-weekly basis, their Public Communications group sends out updates, which is a way for the City to stay in contact with what is going on and to see how successful they are. The Collaborative is still working with their Peer Division, Family Success Administration

Division, and United Way; they have partnerships with DCHA as well as other individuals working to move these families along.

Vice Chair Walters commented that the Committee has tried this before. People need to get into a place, but they need to be educated as to how to maintain and they need jobs. Some of the people have mental problems and educational problems and nothing is done to help them sustain what they were given. He hopes that sustainable living conditions exist in the future to help these individuals and questioned the effort being put towards that.

Mr. Cunningham indicated that these conditions come with supportive services, so it was not just getting individuals into a place. Some of the services were funded as well as the workers who will be connected with these individuals. People with mental health issues would be with the Henderson contracted services. A "look back" will be done over the last year or two to understand what happened so the Collaborative can engage the individuals going forward and a plan could be put together to see what tweaks need to be made so this does not happen again. The "look back" is longer term; the short-term, middle, and long-term is also being considered.

Mr. Rosenstein mentioned that 26 of the 80 homeless individuals found permanent supportive housing and questioned how that worked and if they were provided with a rent voucher operating subsidy.

Mr. Cunningham advised that United Way funded a housing landlord recruiter, who recruits different landlords. While working with these individuals, different items were put in place to help with their placements. Specifically, to the question about funding, an assessment was done to see how much money was coming in as well as other things, and those who could support themselves were pushed towards the rapid rehousing, but the permanent support of housing was considered for those who needed more ongoing support because it comes with ongoing assistance.

Mr. Rosenstein questioned if Mr. Cunningham's department was charged with analyzing every individual and family situation and need as well as coordinating with the various non-profits to make sure individuals got the services.

Mr. Cunningham replied yes. Within his Division, which is underneath the Broward County Human Services Department, one section is the Homeless Initiative Partnership, which coordinates the local continuum of care. Part of the continuum care was how to look at addressing the homeless issues, how to utilize the HUD money that comes into their area, how they are partnering, how local General Fund dollars are being used, putting all that together on a plan and moving forward. Mr. Cunningham has asked his staff to do the "look back" to understand what situation led to these situations. There is

some mental health and capacity, but there are some people who are working. The “look back” is to see if it was poverty, situational, severe mental health, etc.

Ms. Epstein questioned if there was an inflow of homeless people from other states coming to Florida.

Mr. Cunningham did not have that data but could get it and forward it to the Committee members.

Chair Orshefsky advised that the Homeless Point in Time would be done the week of January 23, 2019 and questioned if that analysis would determine where people were coming from.

Mr. Cunningham stated that he would get the information and bring it back.

Mr. Rosenstein mentioned articles about some towns buying bus passes to send homeless people back to where they came from.

Mr. Cunningham indicated that happens. There are funds if a person wants to go back to their home area.

Vice Chair Walters stated that he had to leave and reminded the Chair that a vote needs to be done for the election of a Chair and Vice Chair. The Committee is one-year and six months past the one-year time.

Chair Orshefsky advised that the by-laws would be checked to determine what needs to be done at the next meeting.

- **New Local Housing Assistance Plan for 2019-2020, 2020-2021 & 2021-2022**

Chair Orshefsky commended Ms. Wilkinson and staff for putting together a plan that reflected the priorities and perspectives this group discussed. There was a comment regarding Page 4, Item #3 and a question on Page 12. Chair Orshefsky stated there was a language deletion and she did not understand why the City would not try to get their money if the house was foreclosed. There was a deletion on Paragraph E6.

Ms. Wilkinson indicated that she was under the impression that the Committee did not want anything listed dealing with the recipient, which would be the applicant who lives there. The rental department would not apply because these are rentals.

Mr. Rosenstein mentioned the second paragraph in section F that was stricken and noted that it might still apply.

Chair Orshefsky agreed; the second paragraph should stay, but the first one did not make sense. She suggested changing “home” to “development” instead of deleting the second paragraph. It was noted that Paragraph 6 might not be needed because it covers a default.

Mr. Rosenstein stated that the paragraph does speak to default, but if “home” were changed to “development” it would be applicable.

Chair Orshefsky thought that made sense and clarified that the first paragraph should be deleted, and the second paragraph amended to change “home” to “development, keeping the rest of that paragraph.

Ms. Wilkinson advised that she would make the changes, incorporate the other pieces, and submit it to Florida Housing for a technical review and then it would be given to the City Commission.

Motion by Mr. Jernigan, seconded by Mr. Rosenstein, to accept the New Local Housing Assistance Plan for 2019-2020, 2020-2021 & 2021-2022 as revised. In a voice vote, **motion** carried unanimously.

- **Urban Planning & Design Presentation**

Adam Schnell, Department of Sustainable Development, indicated that this discussion was a continuation from the last meeting to cover the six AHAC recommendations. It was noted that there were some inquiries in relation to Miami 21 Benefits Program. The AHAC strategies will be reviewed, as well as the inclusionary zoning policy and the remaining recommendations #3 - #6, as well as next steps.

The following points were made:

- The Miami 21 Benefits Program recently adopted and amended their regulations to include inclusionary zoning, which encompasses two main criteria; set aside requirements and other development.
- The CRA is looking to put about \$400 million into Affordable Housing in the future, based upon the CRA’s website.
- With regard to the creation of inclusionary zoning or an overlay district as well as 51% of the net proceeds from the sale of commercial property to go into a Trust Fund; that was covered at the last meeting.
- As far as the unified flex area as the overlay for the inclusionary zoning program, which includes the main corridors and the RAC districts; NW RAC Downtown and the South RAC. Set aside requirements and payment in lieu, as an alternate option, were mentioned.

Chair Orshefsky mentioned the ranges for the inclusionary recommendation and questioned if there were any corresponding incentives.

Mr. Schell stated that there would be discussion with the City Commission going forward as to what kind of incentives could be provided to offset the cost of Affordable Housing units. Areas of focus need to be determined to provide funding resources.

Chair Orshefsky thought the incentive side should be looked at and believed there was an opportunity. The direction given to staff regarding the Downtown Master Plan was to codify certain quantitative guidelines.

Mr. Schnell advised that one of the problems was that the Downtown and RAC areas are extremely permissive.

Chair Orshefsky indicated that there was discussion about having balance. Miami has an incentive program and the City is undermining the need to develop this if it is not done that way.

Mr. Schnell stated that the Department of Sustainable Development was in full agreement that other alternative options for funding should be explored.

Mr. Jernigan requested notice be given of the Workshop with the Commission, so Ms. Wilkinson could forward it to the Committee. He also requested a copy of this Power Point.

Mr. Schnell advised that a date has not yet been determined for the Workshop with the Commission and noted that a copy of the Power Point would be provided.

Mr. Jernigan mentioned Miami 21 and the Linkage fee requirement. Linkage fee is a tough sell, but this is a chance to require a Linkage fee in these developments where there is commercial and retail. Mr. Jernigan suggested going back to Miami 21 and seeing if some of that could be incorporated into what is being proposed. There must be a density incentive for development just as there was in the Miami plan. Mr. Jernigan questioned to what degree density is obtained through the RAC or above the RAC within this proposal and noted that the percentages are a little higher than Miami; he did not see the corresponding incentives.

Mr. Schnell stated that was something to be explored.

Mr. Jernigan suggested exploring because it would be better to give the City Commission good options rather than assume that they would be able to come up with options on their own with their heavy workload.

Mr. Schnell indicated that was currently being explored; the creation of a Housing Trust Fund or alternative options.

Ella Parker, Urban Design and Planning Manager, advised that the Department of Sustainable Development wants to make sure everyone agrees with the inclusionary zoning policy as one of the solutions when bringing this before the City Commission. The Department is looking for general direction and are ready to explore more in further detail in the future after getting feedback from the City Commission.

Mr. Jernigan commented that the easy path for everyone involved is to say, "Let's attack the developers who have no constituency because they are scared of other people who are creating the problem". Developers are not contributing to the problem; construction workers are paid pretty good; however, hotels, restaurants, and retail not paying their employees at the same rate. In Mr. Jernigan's opinion, there would be more success in putting together a comprehensive package where as many people in this community who contribute to the economy, good or bad, are part of the solution to the problem.

Ms. Parker agreed. Staff is not looking at the development community as the only solution, it is believed that in combination with the Committee's recommendations and things researched, that a toolbox of different options would be presented without diving deeper into incentives for various reasons. Tying transportation to the cost is being considered as well as a wider City approach for addressing affordability, not just in places like Downtown, but where affordability is easier to recognize because the focus would be on commercial corridors. There are a lot of elements that take the focus away, not just looking at the development community solving it.

Mr. Jernigan commented that the Committee did not need to show up at the Workshop with one tool, which is presented as the solution to the problem and the tool that beats developers. If tools are going to be provided, he suggested talking about all the tools. Inclusionary zoning and Linkage fees are tools. If the purpose of the Workshop is for the Commission to decide which tools they want to use, that is fine, but the whole box of tools should be provided.

Ms. Parker believed that was the approach being taken. Inclusionary zoning was something the Department of Sustainable Development was specifically asked to look at and it was explored for that purpose. That incentive comment would be taken into consideration as far as how it is presented and perhaps examples could be shown.

Chair Orshefsky mentioned that there were three components; residential inclusionary, non-residential Linkage fee, and the success of whatever inclusionary or Linkage is tied to an incentive package; otherwise, the numbers are not going to work. Chair Orshefsky questioned if the Department of Sustainable Development was contemplating to present this Citywide or if this would be the Downtown and overlay area. Residential development is going in lots of other places than just Downtown.

Ms. Parker stated that it aligns with the overall flex unit policy, so it is Citywide, but it is tied to commercial corridors and transportation networks.

Mr. Schnell mentioned the following:

- The creation of alternative funding sources. It is believed that a next step could be a housing community development. There have been conversations with the City Manager's Office to explore funds from the Affordable Housing Trust Fund and maybe the creation of a Tax Increment Finance District to create a funding mechanism or stream to offset the cost of Affordable Housing units. This could also be used to create a grant mechanism to offset utility costs.

Chair Orshefsky was not sure about the Tax Increment Financing and stated that was something the City Attorney's office would need to evaluate. Chair Orshefsky did not think there could be Tax Increment Financing without CRA's and there would not be a CRA.

Mr. Schnell indicated that has to be explored to see if it is a mechanism that could be supported.

Mr. Schnell stated that the Department of Sustainable Development is part of a financial group that would investigate this, and they are currently working with the City Manager's office to decide. It is better to explore the option, if not, a different direction would be taken.

Chair Orshefsky questioned if the City should be looking at General Revenue sources to fund since this was a Citywide obligation and noted that may mean raising the millage rate, so everyone could support this.

Mr. Schnell advised that the City Manager's office would figure out whether that was an appropriate method of supporting Affordable Housing for the City.

Mr. Schnell continued as follows:

- Create realistic aspirational goals. The City's Comprehensive Plan is currently being updated and a portion is the Housing Element.

- Electronic expedited Plan Review. The Department of Sustainability Development is going to continue accepting applications and expedite them when dealing with Affordable Housing. That is going to continue when ACCELA is adopted as an online electronic system, which is currently being built out. They will make sure there is a process for Affordable Housing expediting in the future.
- Utilization of municipal property. It is believed that HCD could coordinate with the City Manager's office in finding which properties could be utilized for Affordable Housing in the future. The online GIS system shows all the vacant properties and different lot sizes, some of which are not in strategic locations. That is still something that could be explored.

Chair Orshefsky stated that is something this Committee looked at. She requested that Ms. Wilkinson provide an update at the next meeting. Chair Orshefsky thought it was determined that parcels owned by the City less than two acres should be considered.

Mr. Schnell indicated that everyone wants to utilize municipal owned property because it is a cheap option, the problem is that there is not a lot of land left. Underutilized or reutilization of existing properties may be an option. The next step is to present a joint presentation to the City Commission and again, a specific date has not been set.

Chair Orshefsky questioned if any input was needed from this Committee on the final set of recommendations.

Mr. Schnell thought there was an understanding that both parties would be presenting their recommendations.

Chair Orshefsky stated that the Committee was not making formal recommendations; however, they could comment on the recommendations coming out of the Department of Sustainable Development.

Ms. Parker commented that she was not sure if a joint Workshop was necessary, the Department of Sustainable Development would talk to the City Manager's office to see what approach is preferred. Ms. Parker thought the presentation included some of the Committee's recommendations while talking about theirs. If the Committee wants to create a separate list of recommendations and provide them prior to the Workshop, that would be fine.

Chair Orshefsky thought the Committee would be more likely to comment on the recommendations put forward.

Mr. Jernigan opinion was that the better role would be to see the recommendations planned for the presentation to the Commission in advance, so the Committee could process their comments.

Ms. Parker advised that this last presentation was a collective summary of what has been discussed other than adding additional language about looking into incentives in the inclusionary zoning policy if pursued.

Mr. Jernigan commented that he was not happy with the presentation and thought there needed to be more. Mr. Jernigan suggested going back to Miami 21, particularly with the Linkage fee concept for commercial and retail, and perhaps on the percentages, with the understanding that the Miami-Dade percentage numbers could not be calculated without including the density enhancements Miami-Dade has proposed.

Chair Orshefsky agreed with Mr. Jernigan. One thing Miami 21 does very efficiently is get projects in and out in 30 days as long as code requirements are met, and it is administrative; Fort Lauderdale takes four to six months. From a developer's standpoint, time is money and predictability. If developers know they are going to get what was applied for there is greater buy-in; tenancy in this City is moving in the other direction. If this Committee wanted to use the staff presentation and formulate comments formally, they could do so, or they could incorporate the Committee's notes and bring it back. The Department of Sustainable Development could hold a separate Workshop with the Committee prior to the next meeting. It was noted that none of the Committee members were 100% with the presentation and would prefer to move forward arm in arm than with a proposal that says it is okay except. The next step is how the Department of Sustainable Development would like to proceed; the focus is on the inclusionary zoning. If Vice Chair Walters were here, he would argue that there be no kind of lieu of payment. As a group, the Committee has not had that debate.

Ms. Parker advised that the Department of Sustainable Development might agree to disagree on some of the specifics and details and bring that in front of the Commission looking for policy direction. There is a strong belief that there should be an out for someone that cannot make some of those things happen. A Workshop sounded good, so everyone would be more on the same page.

Chair Orshefsky stated that the Committee's next meeting is February 20, 2019. If a presentation can be provided to the Committee, members would be prepared to come forward with formal comments or if an intervening Workshop is needed, work with Ms. Wilkinson and everyone's schedules and the Committee would attempt to accommodate the timing.

Ms. Parker questioned if the preference was a Workshop and stated that she would work with Ms. Wilkinson to schedule a Workshop.

Chair Orshefsky commented that the next meeting could be used as a Workshop.

Ms. Wilkinson indicated that the next meeting is on February 20, 2019 in the upstairs conference room.

Lorraine Tappen, Urban Design and Planning in the Department of Sustainable Development, and Eddie Ng, Corradino Group, were present.

Ms. Tappen stated that the Comprehensive Plan has a new name; Advanced Fort Lauderdale. Ms. Tappen provided a brief Power Point presentation regarding the Comprehensive Plan, Evaluation and Appraisal Report (EAR), draft of the updated housing element, and the project timeline. The following comments were made:

- The Comprehensive Plan is the blueprint for the City's existing and future development. It is the City's vision for the future and how it will meet the needs of existing and future residents, visitors, and businesses.
- The Affordable Housing and Economic Analysis is being reviewed.
- Data from the Shimberg Institute is being considered.
- They are also looking at how the Broward County Land Use Plan has changed over the last couple of years. The Broward County Land Use Plan has had a major overhaul and their plan is now called Broward Next.
- As a Charter County, the Fort Lauderdale Comprehensive Plan must conform to their plan.
- Required elements include the future Land Use Element, which is the base element of the Comprehensive Plan. It regulates what can be done with each parcel of property in the City. That same element also provides the base for the zoning regulations for Land Development regulations.
- Objectives that cover Affordable Housing Administration. These policies cover what the Housing and Community Development Department is doing. One current funding source is the U.S. Department of Housing and Urban Development Home Program. Funds are also being used from the State, SHIP, and CDBG.
- Some of the programs administered by HCD are new construction of rental housing, home repair, rehabilitation of homes for special needs, impact fee mitigation, disaster repair, mitigation, demolition, reconstruction, and rapid rehousing programs. Other programs in Fort Lauderdale are the Fort Lauderdale Housing Authority, Homelessness programs, Housing First program
- Inclusionary zoning will be adopted in 2020.
- Discouragement of concentration of Affordable Housing along major transportation corridors.

- Support diverse Affordable Housing types, not just multi-family, but look at townhomes and single-family

Chair Orshefsky mentioned the first bullet regarding Comprehensive Planning and suggested that this policy be broadened. Perhaps the Linkage fee concept could be incorporated. If this plan was not going to be adopted until 2020, it may be better to make this less affirmative and evaluate how it would be implemented if advised. This presumes that direction has been given to put an ordinance in place as there is going to be a considerable amount of debate as to whether to proceed. One of the amendments to the SHIP Plan recently approved changed the language and it may be better to look at language similar to, "Development of new and preservation of existing Affordable Rental Housing throughout the City" and perhaps the concept would encourage Affordable Housing throughout the City of Fort Lauderdale, not just in Downtown.

Ms. Tappen provided a broad overview of the housing element; it was not just about Affordable Housing, but also about neighborhoods. Over time, the Department of Sustainable Development wants to make sure neighborhoods are great livable neighborhoods. These elements are online, and any input is appreciated.

Mr. Ng continued the Power Point presentation as follows:

- Incentives for construction and development of Affordable Housing. There is a list ranging from Tax Increment Financing to municipal land. Part of the Comprehensive Plan is to provide general overall guidance and let the specific toolbox items selected be strategic in nature and more reactive to market conditions; the policies are not necessarily geared toward one or two options. It is believed that some items would help in expediting the process of building permits.

Ways to lower costs or mitigate risks, particularly to developers, are being looked at and ways to assist the policies are also being reviewed. Evaluations with good parking requirements need to continue as well as other regulations that could affect per unit development costs. Housing needs to be considered for vulnerable communities for very low, low, and moderate-income senior citizens. Regulations in group homes, which is a requirement in the Future Land Use Element, also need to be contained, which needs to be in conjunction in looking at the Broward Next regulation. Neighborhood livability and aspirational goals are also being looked at.

Chair Orshefsky commented that a couple meetings ago there was a presentation from the City's consultant who is working on the TOD Federal Fund and how people are going to move around. One of the most traumatic statistics was something like over 60% of the Workforce that works in the Downtown RAC and Downtown area cannot

afford to live in Fort Lauderdale and they earn less than 60% of AMI. Talking about the 80% to 120% as an aspirational goal is not addressing the real problem in the City and a 20%/40% plan is being considered. Chair Orshefsky suggested that the Department of Sustainable Development talk to the other group and get focused because a very detailed analysis has been done that tells there is a huge, over 60% employment base, that cannot live in the City of Fort Lauderdale because they cannot afford to.

Mr. Ng stated 70,000 households are being looked at, 20,000 of which are cost burdened. Looking at that from a 5% to 10% standpoint is about 1,000. These are 2016 numbers and will be updated while going through the Comprehensive Plan. Volume also needs to be updated in the Comprehensive Plan and that is the data backup for the policy, which is slated for later in the process.

Chair Orshefsky stated that whatever the numbers are, the problem should be looked at instead of using the 80% to 120%; the cost burden factor should be looked at; that is how the other consultant group got to a set of numbers that was startling.

Ms. Tappen believed this could be expanded and clarified that the Department of Sustainable Development started with a shorter-term goal by increasing the Affordable Housing for Workforce by 10%, which ties into the possibility of an inclusionary zoning ordinance and for low income seniors. Reducing by each of the income categories by 5% is being considered. The CIP, Strategic Plan, and Comprehensive Plan have a percentage and a benchmark for tree canopy. The Department of Sustainable Development wants 30% tree canopy, so the progress made on reducing the number of households with housing cost burden would be easy to put into the Capital Improvement Plan. The goal is to reduce the number of households with a housing cost burden by 5%.

Chair Orshefsky did not think anyone had a problem with that side of the bullet; it was the other side with the 80% to 120% of AMI because that is not what the Committee is being told by the City's consultants is the area that has the biggest problem. Aspirational goals were one of six goals and a decision needs to be made as to what is a win. Chair Orshefsky did not think anyone disagreed that a percentage was needed to measure and quantify a win. Look at the data and what is being measured; that number needs to change.

Mr. Jernigan commented that if these were 2016 numbers as the background base that it should be listed somewhere.

Ms. Tappen agreed. When the analysis is produced the specific year should be provided.

Mr. Ng indicated that the Department of Sustainable Development was trying to get things along to a cost burden factor by pegging a specific cost burden to the household that is their target aspirational goal as well as getting the housing and transportation costs combined down to 45% from 62%, which is a big drop; a benchmark is needed to force that. This information would be evaluated along with the data as the volume of the Comprehensive Plan is updated.

Pablo Calvo, City of Fort Lauderdale resident, questioned what the elderly population is projected to be in 2025.

Ms. Tappen stated that there would be more Workshops and meetings. The second draft will be prepared in April, then they will be going to the Planning and Zoning Board in July and to the City Commission in the early fall. The draft would then go through a process of being sent to the State for review, to the Broward County Planning Counsel, to the Broward County Commission, and then back to the City Commission for final adoption in early 2020. There is still time for input.

Mr. Cooper mentioned the Bond and transportation and questioned if an interface was happening between parties to bring this to the attention of how this money is going to be spent in the future and how it would affect residents in the County.

Mr. Ng advised that there was an emphasis on transit. The Interlocal Agreement for the surtax, specifically community buses, would be funded first before the whole slate of projects are considered. There would be a Committee of about nine people who would do a prioritization after the funding items are submitted to the Broward MPO.

Mr. Jernigan mentioned incentivizing construction of Affordable Housing. He would like to see the first indented bullet that says, "Guidelines for Affordable Housing Trust Fund expenditures", changed to "Implement an ordinance establishing guidelines".

Chair Orshefsky commented that was done and questioned if Mr. Jernigan meant implement the ordinance.

Mr. Jernigan questioned the purpose of a recommendation to decrease property tax assessment design to bring down the cost of housing.

Mr. Ng replied yes. A neighborhood preservation was conducted during the EAR process, which was carried over.

Mr. Jernigan thought that was counterproductive in so many ways that it should be reconsidered. Property taxes go towards things like community buses, sidewalks, Police enforcement, and neighborhood stabilization. The bullet item that says,

“Municipal land” and perhaps another word or two needs to be added since it is known that the Committee wants to utilize municipal land for the benefit of Affordable Housing. It was noted that application fees are used to fund salaries and infrastructure for things like the Building Department and other places, so a reduction in those fees should be reconsidered.

Mr. Rosenstein thought this gets to the menu of potential options being explored to help make Affordable Housing development more feasible and questioned if that was an accurate statement.

Ms. Tappen indicated that it was setting the base and was the starting point for what may come in the future.

Mr. Rosenstein disagreed and did know if he would remove something like “Decrease in property tax assessment”. If an Affordable Housing development could reasonably be projected to reduce its operating expenses including property taxes, that would increase its net operating income, which would allow the development to borrow to leverage a little more. In many ways that is as good as a subsidy and he would say that is a type of subsidy; it is a longer-term subsidy, but it would also help long-term stability of the development. Application fee reductions and utility connection fees are additional tools that can sometimes be argued for a long-term property tax bill; all these things combined help make Affordable Housing developments more feasible. Mr. Rosenstein noted that it would be good to mention as many tools as possible. One thing not seen in the presentation was density boosts.

Mr. Ng stated that in terms of density, normally that is put in the Land Use Element; however, policies that can go back in the housing elements can be explored.

Mr. Jernigan commented that if the decrease in property assessment and fees were applied solely to affordable projects, he would be behind it 100%, but to apply it across the board is problematic.

Chair Orshefsky requested that the next draft be forwarded to Ms. Wilkinson, so she could distribute it to the Committee.

- **Affordable Housing Trust Fund Balance**

Ms. Wilkinson advised that the balance increased by \$28,520.

IV. NEW BUSINESS – None.

V. AGENDA TOPICS FOR NEXT MEETING

Mr. Jernigan commented that the role of the Fort Lauderdale Housing Authority has not been discussed and questioned what level of Affordable Housing they are contributing to the community and how that works with what this Committee is currently doing.

Ms. Wilkinson advised that someone from the Fort Lauderdale Housing Authority could attend one of the meetings.

VI. GOOD OF THE ORDER – None.

VII. NEXT SCHEDULED MEETING DATE - February 20, 2019 in the upstairs conference room.

VIII. ADJOURNMENT

There being no further business to come before the Committee at this time, the meeting was adjourned at 11:23 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 C. Guifarro, Prototype, Inc.]