

# City of Fort Lauderdale

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



## Meeting Minutes

**Tuesday, June 4, 2019**

**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***

***ROBERT L. McKINZIE Vice Mayor - Commissioner - District III***

***HEATHER MORAITIS Commissioner - District I***

***STEVEN GLASSMAN Commissioner - District II***

***BEN SORENSEN Commissioner - District IV***

***CHRIS LAGERBLOOM, City Manager***

***JOHN HERBST, City Auditor***

***JEFFREY A. MODARELLI, City Clerk***

***ALAIN E. BOILEAU, City Attorney***

**CALL TO ORDER**

Mayor Trantalis called the meeting to order at 12:22 p.m.

**ROLL CALL**

**Commission Members Present:** Commissioner Heather Moraitis, Commissioner Steven Glassman, Vice Mayor Robert L. McKinzie, Commissioner Ben Sorensen, and Mayor Dean J. Trantalis

**Affordable Housing Committee Present:** Chair Brandon P. Stewart, Vice Chair Frances Epstein, Phallon Bullard, Peter Cooper, Nancy Daly, Skeet Jernigan, Mitchell Rosenstein, and Margi Nothard

**Not Present:** DonnaLee Minott, Irvin Minney, and Edwin P. Parke

**QUORUM ESTABLISHED****OLD/NEW BUSINESS****BUS-1** [19-0479](#)

Affordable Housing / Inclusionary Zoning Policy Presentation - (Commission Districts 1, 2, 3, and 4)

Mayor Trantalis gave opening remarks on the topic of Affordable Housing.

Mayor Trantalis recognized Anthony Fajardo, Director - Department of Sustainable Development (DSD). Mr. Fajardo gave a brief overview of Staff efforts to date that included three meetings with the Affordable Housing Advisory Committee (Advisory Committee). Based on these meetings, Staff developed a series of recommendations and is seeking Commission direction.

Mr. Fajardo explained aspects of pending State Legislation, House Bill 7103 (HB 7103) addressing inclusionary zoning. If a municipality mandates inclusionary zoning, the developer must be made one hundred percent (100%) whole. He commented on language in HB 7103, possible ways to achieve this goal and noted that Governor DeSantis has not yet signed this legislation. Should it be enacted, Staff would pursue clarification of the legislative intent.

Mayor Trantalis recognized Adam Schnell, Urban Planner II - Department of Sustainable Development. Mr. Schnell gave a presentation on

Affordable Housing Policy recommendations.

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

There is a need for a more comprehensive approach to Affordable Housing. Mr. Schnell reviewed the Advisory Committee recommendations, including:

1. Create an Affordable Housing Overlay Zoning District (Overlay Zoning District) to permit higher density and reduced building requirements for affordable housing developments and rehabilitation and make such Overlay Zoning District 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.
4. Create a realistic aspirational goal for the number of new affordable housing units to be developed in the City over the next three years.
5. Evaluate whether the City's new electronic plan review provides ample 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 vacant or underutilized City-owned properties suitable for affordable housing development for donation to an affordable housing developer.

Mr. Schnell reviewed the Advisory Committee's previous meeting schedule and assessments, including:

1. Inclusionary zoning cannot be solely responsible for alleviating all affordable housing issues and is only one tool that can be implemented to support the development of affordable housing. A broader comprehensive approach needs to be taken to focus on creating and supporting affordable housing preservation, rehabilitation and development.
2. Affordable housing solutions should include the entire development

community, i.e., the establishment of a non-residential linkage fee to support affordable housing development. Broward County is considering this measure.

3. Need to monitor Broward County Commission actions to fund the recently established Broward County Affordable Housing Trust Fund to ensure there is no duplication of affordable housing fee obligations.

4. Inclusionary Zoning needs to be a "carrot and stick" approach with meaningful incentives to balance the financial burdens.

5. Additional resources are necessary for the implementation and continued oversight of the Affordable Housing Program.

In response to Mayor Trantalis' question, Mr. Schnell explained aspects of a non-residential linkage fee. The percentage of non-residential floor area market value would be placed in the Affordable Housing Trust Fund, excluding ground floor commercial/retail, to offset the cost of Affordable Housing.

Mr. Schnell explained details related to HB 7103. If the bill becomes law, municipalities are responsible for fully offsetting all costs to the developer of their affordable housing contribution. Mr. Schnell reviewed HB 7103 mandates and considerations, expounding on details. Upon the enactment of HB 7103, the City must decide whether or not to create a mandated or an optional incentive program. Additional funding will be required to perform related nexus studies to implement non-residential linkage fees and assess the value of an affordable housing unit.

Mr. Schnell reviewed details related to the definition of Affordable Housing. The Department of Housing and Urban Development (HUD) defines Metro Area Median Family Income as \$65,700 and is in alignment with Broward County and the State of Florida. He reviewed details related to the cost of living in the area and other County areas. The cost of living in the City is one of the highest in the nation when housing and transportation costs are combined.

In response to Mayor Trantalis' question, Mr. Schnell explained that the cost of living for rental expenses listed in the presentation is a blended average rental price for both new construction and existing construction. The details contained in the presentation are based upon a needs analysis done by the County. The FY 2018 Broward County - Median Family Income (MFI) estimated at \$65,700. Further comment and discussion ensued. Mr. Schnell reviewed the targeted economic demographics for both rental and home sales, workforce housing

income, and affordable housing rental and home sale price limits.

In response to Mayor Trantalis' question, Mr. Schnell confirmed the Commission would determine the percentage of income limits eligible for workforce housing rentals and home sales, expounding on details.

Mr. Schnell reviewed aspects of an inclusionary zoning policy. Aspects consist of an inclusionary overlay zone, income eligibility, set-aside requirements/deed restrictions and incentives.

Mr. Schnell explained the recommendation for an inclusionary overlay zone over the unified flex zone. The proposal is for a City-wide policy that includes the South Regional Activity Center (RAC), Northwest RAC, Downtown RAC and primary corridors. The areas selected are due to their high walkability, access to transportation and high density to offset the cost of affordable housing units. Set-aside requirements are tied to RAC units and requests for Residential Flex Units.

Mr. Schnell reviewed details regarding recommended rental set-aside requirements/deed restrictions and sale set-aside requirements/deed restrictions for small and large developments, and the payment-in-lieu of revenue to the Affordable Housing Trust.

In response to Commissioner Sorensen's question regarding the Board and Staff recommendations and contemplation of HB 7103, Mr. Schnell confirmed that these are recommendations. He noted that adjustments to incentives may be needed to offset the costs to the developer for affordable housing units. The referenced percentages could be lower if HB 7103 is enacted to allow incentives to cover all costs.

Mr. Schnell explained that payment-in-lieu of fees to the Affordable Housing Trust Fund would be determined based upon related nexus studies to assess the value of an affordable housing unit.

In response to Mayor Trantalis' question regarding realistic, reasonable payment-in-lieu amounts for a mandated percentage of units in a development, Mr. Schnell explained that nexus studies are required to determine these amounts, commenting on the Broward County recommendation of \$55,000. Further comment and discussion ensued.

Mayor Trantalis recognized Advisory Committee Member Skeet Jernigan. Mr. Jernigan explained details of developer payment-in-lieu of fees which would contribute toward the cost. Mayor Trantalis clarified his position. Further comment and discussion ensued. Mr. Jernigan discussed details regarding how Palm Beach County addresses

### Affordable Housing.

Mayor Trantalis commented on previous Workshop discussions regarding federal programs, expounding on details. Mr. Jernigan noted the need for a comprehensive, multi-faceted approach to solve Affordable Housing. Further comment and discussion ensued. Mr. Schnell confirmed the need to make the developer whole through the development of incentives and explained related details. Further comment and discussion ensued.

Mr. Schnell noted that HB 7103 is ambiguous regarding how municipalities determine the value of Affordable Housing units. Further comment and discussion ensued on possible future challenges to making developers whole. Mr. Fajardo commented on taking steps to negotiate and codify language. Further discussion ensued on HB 7103 and its intent. Mayor Trantalis noted variances to the Zoning Code that would provide another tool to address Affordable Housing needs.

In response to Advisory Committee Member Mitchell Rosenstein's question regarding clarification of HB 7103, Mr. Schnell confirmed its language is general and states "to offset costs". Mr. Rosenstein commented on ways to address gaps, including leveraging debt, obtaining funding sources, identifying the difference and having a density boost per unit based upon the land cost which would provide the City with the ability to claim value back from its contribution to the development. Mr. Schnell confirmed these are options, commenting on the variables available to fill the gap.

Mr. Schnell reviewed the proposed non-residential linkage fee, explaining how it would function. He noted that Miami has a similar regulation in its Omni District, expounding on details. Considerations include excluding small square foot buildings, geographic applicability and stakeholder input from commercial developers.

Mr. Schnell discussed recommended zoning incentives including floor plate increases, parking reductions, expedited reviews, height increases, and density bonuses. Advisory Committee Member Rosenstein commented on the positive aspect of parking reduction, building a smaller parking garage, and consideration given to the type of unit, i.e., a three-bedroom unit having one parking space. Mr. Schnell confirmed. Further comment and discussion ensued regarding the value of a parking space (\$30,000) and utilizing this amount as an offsetting cost. Mr. Fajardo expounded on parking reduction as it relates to the Downtown RAC and transportation corridors.

Comment ensued on the parking allocation for residential units. The allocation for a one-bedroom residential unit is 1.2 and increases based upon the number of bedrooms. Mayor Trantalis commented on past parking reductions which had no developer concessions. Mr. Fajardo confirmed there is no ability to grant parking reductions for residential properties outside of the Community Redevelopment Agency (CRA) areas, expounding on related details. He confirmed studies which indicate a lower need for parking.

Commissioner Moraitis commented on a conflict regarding the recommended zoning incentive codification, the Downtown Master Plan and the Uptown Master Plan. Mr. Fajardo noted that currently, there is no cap to density in the Downtown area, explaining related details. He said there are density caps in other areas and a correct balance would need to be determined. Mr. Fajardo expounded on possible options. Mayor Trantalis commented that significant increases in density are not being discussed, citing examples. Further comment and discussion ensued.

Mr. Schnell reviewed financial incentives including:

- 1) Use of the Affordable Housing Trust Fund to offset affordable housing development;
- 2) A component of the proposed inclusionary zoning regulation would contain "payment-in-lieu of" for affordable housing units for deposit into the Affordable Housing Trust Fund;
- 3) Use of vacant or underutilized municipal properties to offset the cost of development in exchange for affordable housing units; and
- 4) Reduction in fee applications. A reduction in fee applications is being explored by DSD, lowering the cost of permitting to offset affordable housing construction costs directly.

Mr. Schnell reviewed examples of recommended incentives in specific areas of zoning districts and along commercial corridors illustrated in the presentation. He said that there is no ability to provide a density bonus downtown. Mr. Schnell emphasized the need to quantify the value of these incentives for evaluation.

Mr. Jernigan noted that incentives have consequences. Further comment and discussion ensued. Vice Mayor McKinzie cited an example which resulted in the loss of an affordable housing opportunity and recent successful affordable housing opportunities. He recommended consideration of City-owned properties for affordable housing projects,

commenting on related details.

Mayor Trantalis commented on the cost of doing business in the City and the opportunity to slow down development as requested by the community. Further comment and discussion ensued.

Mr. Jernigan commented on a multi-faceted approach and the need to address the economic engines within the community which create affordability concerns. Further comment and discussion ensued. Mayor Trantalis explained the goal is to balance the economics involved to create affordability without creating a burden on the City.

Mr. Jernigan noted the desire of the Committee to research options to fund affordable housing, including a bond issue that would establish a revolving account within the Affordable Housing Trust Fund for down payments on affordable housing units. Further comment and discussion ensued.

Mr. Rosenstein commented on his perspective as a developer and the need to address all options to assist in resolving affordable housing needs, expounding on related details.

In response to Vice Mayor McKinzie, Mr. Schnell confirmed the amount in the Affordable Housing Trust Fund is approximately \$800,000, noting the need for additional mechanisms to contribute towards the deferment of affordable housing costs.

Commissioner Moraitis commented on the impact of Inclusionary Zoning in other municipalities. Mr. Schnell said other cities are not proactive in adopting Inclusionary Zoning, explaining related details. Mr. Fajardo confirmed the 2016 Study on Inclusionary Zoning was successful, providing additional information.

Mr. Schnell confirmed the increased cost of building and cost of living in the City, expounding on details that impact affordability. Mayor Trantalis commented on the average low-income base which the City cannot control. He noted the need to promote the development of affordable housing in addition to new skills and trades that would stimulate higher paying positions which would sustain a viable downtown, expounding on details.

Mr. Schnell discussed Broward County policy regarding Accessory Dwelling Units (ADU), Broward County Land Use Plan Text Amendment (PCT 19-5) which authorizes local governments to permit affordable ADUs in any area zoned for single-family residential use. It must include



an affidavit from the applicant which attests that the unit will be rented at an affordable rate. The ADU would not be included in density calculations.

In response to Commissioner Moraitis' question, Mr. Schnell confirmed ADUs could include a Tiny House. Mr. Fajardo commented on details regarding ADUs.

In response to Advisory Committee Member Margi Nothard regarding ADUs, Mr. Fajardo explained the City has a square footage maximum of 600 square feet. Broward County (County) has restrictions that do not allow an ADU to be larger than the principal structure. He expounded on details of an ADU that include it being full accessory dwelling, including a kitchen. The minimum square footage is based upon the number of rooms, square footage per person and area zoning requirements in specific districts zoned RS-8 and RMM-25.

Mr. Schnell requested policy directives to move forward with the next steps. These include:

1) If House Bill HB 7103 moves forward, does the City wish to adopt a mandated inclusionary zoning policy or an optional incentivized program? Certain areas of the City are more permissive than others. The Commission has the option to do an intermix of an optional program and mandated program.

2) What incentives does the City support implementing?

3) What resources can the City provide to support the implementation and continued oversight of the inclusionary zoning program? Additional funds would be needed to support the Staff to implement these types of programs.

Mr. Schnell reviewed the next steps, including:

1) Craft inclusionary zoning regulations by further analyzing area specific incentives and continued intergovernmental coordination for financial incentives;

2) Identify where additional resources are necessary to assist with the implementation of the affordable housing amendments; and

3) Work closely with Broward County to avoid duplicative policies.

Mr. Rosenstein discussed bifurcating one set of recommendations to be

adopted regardless of what happens with HB 7103. He gave feedback stating that parking reductions should be tied to public transportation. Due to the lack of large land parcels to a build multi-family development, recommendations in the presentation should not be restricted to certain areas illustrated in the presentation maps. Available parcels exist outside those maps.

Mayor Trantalis recognized Robert Lochrie, Esq., Lochrie and Chakas. Mr. Lochrie noted efforts to address the topic of Affordable Housing. He expounded on the impact of offsetting Affordable Housing costs on development. Mr. Lochrie commented on Broward County efforts to double the density of single-family neighborhoods and incentives for affordable housing.

Mayor Trantalis recognized James Carras, Principal, Carras Community Development, Inc. Mr. Carras discussed Comprehensive Housing Plans done in other municipalities across the country and the importance of quantifying efforts by the City and County. He urged the City to create a Comprehensive Housing Plan to include goals and objectives, noting his support of inclusionary zoning and other tools.

Mr. Jernigan thanked Mr. Schnell for the presentation and his work with the Committee. Mr. Jernigan commented on his support of inclusionary zoning and the need to thoroughly consider other options. Through its Affordable Housing Trust Fund, Palm Beach County has involved non-profit organizations with affordable housing gap funding and financing efforts.

Mr. Jernigan thanked the Commission for efforts regarding the fifteen percent (15%) funding source to the Affordable Housing Trust Fund from the sale of commercial/industrial properties.

Mayor Trantalis recognized Charles Ladd, Downtown Development Authority Board Member. Mr. Ladd commented on the need for additional retail in the downtown area, noting that the proposed linkage-fee discourages new downtown office space, expounding on details. He recommended developing a Comprehensive Plan to address Affordable Housing.

Mayor Trantalis recognized Jon Auerbach, Stiles Corporation (Stiles). Mr. Auerbach confirmed support of a comprehensive approach to Affordable Housing and the willingness of Stiles to work with Staff and the Commission. He discussed developer efforts to attract capital for project investment.

Mayor Trantalis said that the next step is to discuss recommendations presented at an upcoming Commission Conference Meeting to include a decision on expansion and related details. City Manager Chris Lagerbloom said this topic would be scheduled for discussion at the first meeting following the Commission summer break on August 20, 2019.

## **ADJOURNMENT**

Mayor Trantalis adjourned the meeting at 1:30 p.m.