



CITY OF FORT LAUDERDALE

**Approved**  
**MEETING MINUTES**  
**CITY OF FORT LAUDERDALE**  
**100 NORTH ANDREWS AVENUE**  
**CITY COMMISSION CHAMBERS**  
**8<sup>TH</sup> FLOOR CONFERENCE ROOM**  
**MONDAY, FEBRUARY 3, 2020 – 9:00 A.M.**

**Cumulative**

June 2019-May 2020

<b>Board Members</b>	<b>Attendance</b>	<b>Present</b>	<b>Absent</b>
Brandon Stewart, Chair	P	6	0
Frances Epstein, Vice Chair	P	6	0
Phallon Bullard	P	4	2
Peter Cooper	P	6	0
Nancy Daly	P	5	1
Irv Minney	P	6	0
Donnalee Minott	A	5	1
Margi Nothard	A	4	2
Edwin Parke	A	4	2
Mitchell Rosenstein	P	6	0

**Staff / Guests**

Avis Wilkinson, Housing Programs Administrator/Staff Liaison  
Russell Casteel, Housing and Community Development  
Denise Graham, Housing and Community Development  
Lawrence Szeliga, Housing and Community Development  
Jamie Opperlee, Recording Secretary, Prototype, Inc.

**Communication to the City Commission**

None.

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

Chair Stewart called the meeting to order at 9:06 a.m. Roll was called and it was noted a quorum was present.

**II. APPROVAL OF MINUTES – January 6, 2020**

**Motion** made by Mr. Cooper, seconded by Ms. Daly, to approve the minutes from [the] January 6 meeting. In a voice vote, the **motion** passed unanimously.

**III. OLD BUSINESS**

- **Affordable Housing Trust Fund Balance Update**

Ms. Wilkinson reported that the Affordable Housing Trust Fund balance is \$173,768.16, which represents a decrease of approximately \$783,000. Another decrease of roughly \$122,000 is anticipated as well.

- **CHDO RFP Update**

Ms. Wilkinson noted that a groundbreaking event for the Fort Lauderdale Community Development Corporation will not be scheduled, as the organization plans to apply for permits and begin work on their project.

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

The following Item was taken out of order on the Agenda.

- **Speaker for Affordable Housing Alternative**

Bob Blaikie, representing Innovar Structures, provided photographs and blueprints of housing created by this company. He was referred to the Affordable Housing Advisory Committee (AHAC) by former Fort Lauderdale Mayor Jack Seiler. Innovar is working with another company, Crisis Housing Solutions, on a large affordable housing project in West Palm Beach.

Mr. Blaikie explained that Innovar Structures produces module units consisting of steel containers. In March 2020, their goal will be to build 20 completed container living modules per month; by the end of 2020, this production is expected to increase to 100 modules per month. Innovar's manufacturing facility was designed with multiple production lines. Containers travel on these lines and work stations complete various functions in order to produce structures to specifications. Once completed, containers are loaded for delivery to their sites.

While these modular structures are being built, the purchaser will retain contractors to build designated concrete foundations for each dwelling. These foundations or "pads" will provide connections for hurricane straps to secure the modules in accordance with hurricane Code requirements. Foundations will also have utility "stub-ins" to connect to each dwelling, including electric, water, sewer, propane, and other utilities. Once a structure is delivered, strapping and utility installation can be done in as little as one to two days, which makes them ready for occupancy.

Construction of Innovar's modular homes uses steel shipping containers, which are equipped with impact-resistant windows and doors. If strapped properly to pads, units will hold up to storms as well as standard construction, and can last for decades. Maintenance will be nominal, and the modules will be well-insulated and energy-efficient.

Modules can be built in one- to four-bedroom configurations. Each individual container, which constitutes a one-bedroom/one-bath unit, is 320 sq. ft. in size. The modules can be single-story dwellings or can be constructed as two-story units to reduce the required footprint. Designs can also accommodate more stories in larger affordable housing projects. Innovar Structures can also produce custom designs and configurations, although this may result in increased costs.

Craig Vanderlaan of Crisis Housing Solutions, a nonprofit that develops affordable housing, showed a PowerPoint presentation on a \$9 million affordable housing project in West Palm Beach, which they are undertaking with Innovar Structures. The project is called “The Arts on Broadway” and is located in an opportunity zone. It will have 52 dwellings and a total of 150 modular structures. Living quarters will range from 640 sq. ft. to 960 sq. ft. each.

Mr. Vanderlaan explained that Crisis Housing Solutions began developing affordable housing in 2007 after the acquisition of mobile homes from the Federal Emergency Management Agency (FEMA). One of their programs focuses on community stabilization through the acquisition and rehabilitation of foreclosed properties, which are then sold to local moderate-income families. They collaborate with nonprofit, for-profit, and governmental agencies.

Mr. Vanderlaan continued that modular housing does not have to look like containers, as façades and other features can be added. Container housing is used in multiple countries. A feasibility study was conducted, which examined container housing in student, workforce, and commercial development in European countries.

Following the study, it was noted that affordable housing developers in Florida cannot build without using tax credits or without building a great many units. This led to consideration of a way to build affordable housing on much smaller parcels, such as one half-acre to an acre.

The Arts on Broadway project will be the first opportunity zone-funded project in West Palm Beach. It will be located in the Northwood Village neighborhood in that city, which Mr. Vanderlaan characterized as in a transitional stage: it has been a blighted community but is experiencing change. In addition to housing, the development will include space for local artists, and its construction will support the local workforce.

Mr. Vanderlaan advised that most of the Arts on Broadway project is funded through PNC Bank. Crisis Housing Solutions has a \$2 million line of credit with this institution. The project will have an affordability period of 15 years. The city of West Palm Beach provided five lots for the project at a cost of \$1. They are also providing a very low-interest loan from the city’s General Fund. Crisis Housing Solutions and other partners are meeting with the Community Redevelopment Agency (CRA) in the subject neighborhood to seek additional support. The total cost of the project is estimated at under \$9 million.

Ms. Wilkinson requested additional information for the Committee regarding opportunity zones. Mr. Vanderlaan stated that opportunity zones are a program less than two years old. Investors have an opportunity to provide financing for projects in these zones at very low interest rates. The intent is for projects to be geared toward affordable housing or economic revitalization. PNC Bank will have 80% ownership of the property for 10 years, after which time Crisis Housing Solutions and New Jersey Community Capital, which hold the other 20%, will have first right of refusal for purchase. They will most likely purchase the 80% owned by PNC Bank.

Mr. Rosenstein requested information on construction costs, particularly in comparison to concrete block construction. Mr. Blaikie replied that standard modular units typically cost less than construction prices, depending upon the level of customization. Mass-produced units with little customized variation can typically be delivered and occupied very quickly, while some developments may add upgrades to façades, roofing, or other features. Modules can be readily shipped by trucks.

Mr. Rosenstein also asked if developers could hire contractors to construct features such as elevators and breezeways for stacked units. Mr. Blaikie confirmed this, adding that the current cutoff height is 10 stacked modules. Mr. Vanderlaan added that most modular developments are three to four stories, for which elevators are not required. Developers may choose between new containers and used containers that have been renovated. The Arts on Broadway will provide used containers.

Ms. Wilkinson conveyed several questions from building officials regarding the reuse of containers that may have housed toxic or dangerous chemicals. Mr. Vanderlaan asserted that reused containers have been scrubbed and sandblasted, with their original flooring removed. Additional questions addressed Florida Building Code requirements, foundation or slab attachments, utility connections, and Fair Housing Act and/or Americans with Disabilities Act (ADA) requirements. She concluded that she would transmit these questions to the presenters on behalf of the building official.

Mr. Minney asked where most of the containers are constructed. Mr. Vanderlaan replied that approximately 90% are built in China, with some constructed in Europe. Containers built in the United States are less likely to be affordable. Only “high-cube” containers are used, as these are 9.5 ft. high and can provide ceilings of at least 8 ft. to accommodate ducts and utilities.

Ms. Graham asked what hurricane category the modules are built to withstand. Mr. Vanderlaan advised that modules can withstand wind speeds of up to 140 miles per hour (MPH). He added that the companies have met with the Building Department, Planning and Zoning Department, and Fire Marshal in West Palm Beach to ensure compliance with building requirements.

Lawrence Szeliga of Housing and Community Development noted that a study of modular housing showed that the cost per square foot can be 20% or 30% more than building a new house locally. He pointed out that one reason for repurposing containers for modular housing is to prevent the necessity of melting them down, which uses a great amount of energy to burn the material. Mr. Vanderlaan replied that the goal is to provide modular housing at under \$80 per square foot.

Mr. Blaikie noted that single-family homes, unlike modular units, are not mass-produced. Mr. Szeliga stated, however, that permit fees, landscaping, sod, irrigation, and many other features must be taken into consideration, which can compromise the affordability of the project. He expressed concern with the cost feasibility of container developments.

Vice Chair Epstein observed that the *Palm Beach Post* describes the Arts on Broadway as 52 units at roughly \$173,000 per unit, to be rented for up to \$1400/month. This would bring in approximately \$73,000 per year in rent, allowing the development to pay for itself in three years or fewer. Mr. Vanderlaan emphasized that the success of container developments hinges upon the assembly-line approach for offsite repurposing.

Mr. Vanderlaan concluded that he hoped to work with Fort Lauderdale in the future, as he felt modular developments could be a good fit for the community. Crisis Housing Solutions hopes to bring in as many partners as possible on this effort.

- **Speaker from Building Services**

This Item was deferred to the March 2020 Agenda.

- **AHAC 2020 Workplan**

Chair Stewart recalled that at the January 2020 meeting, the Committee narrowed its focus to a limited number of recommendations that will be brought forward to the City Manager's attention. He requested more background information from Staff regarding what has already been done with regard to these recommendations, which focused on an overlay district for the City as well as a list of vacant/underused City properties that would be appropriate for affordable housing. Ms. Wilkinson noted that she would forward a written response from a member of City Staff to the Committee regarding both residential and commercial City-owned properties.

- **Review of AHAC 2018 Affordable Housing Incentive Recommendations**

Ms. Wilkinson recalled that copies of these recommendations were provided at the January 2020 meeting, and advised that she would send additional copies via email and bring copies to a subsequent meeting as well.

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

It was noted that the Committee would continue their efforts related to the 2020 Work Plan, including further narrowing of recommendations and inclusion of additional policies and/or processes that could be helpful to City Staff.

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

The Committee discussed the presentation on container modules further, with Ms. Wilkinson pointing out that this is likely an evolving option for which costs may decrease over time. Ms. Wilkinson clarified that the City has not given consideration to this type of housing development thus far. The modules may be a housing option for homeless individuals as well as veterans' and/or workforce housing. One possibility could be a partnership with Broward County to address homelessness using container units.

#### **VII. NEXT SCHEDULED MEETING DATE – March 2, 2020**

#### **VIII. ADJOURNMENT**

There being no further business to come before the Committee at this time, the meeting was adjourned at 10:20 a.m.

Any written public comments made 48 hours prior to the meeting regarding items discussed during the proceedings have been attached hereto.

[Minutes prepared by K. McGuire, Prototype, Inc.]