



CITY OF FORT LAUDERDALE

Approved
MEETING MINUTES
CITY OF FORT LAUDERDALE
AFFORDABLE HOUSING ADVISORY COMMITTEE
VIRTUAL MEETING
MONDAY, JANUARY 11, 2021 – 9:00 A.M.

Cumulative

Committee Members	Attendance	June 2020-May 2021	
		Present	Absent
Brandon Stewart, Chair	P	6	0
Frances Epstein, Vice Chair	P	5	1
Phallon Bullard	P	3	3
Uwe Cerron	P	6	0
Nancy Daly	P	5	1
Donnalee Minott	P	4	2
Margi Nothard	P	5	1
Edwin Parke	A	4	2
Ryan Wipplinger	P	2	0
Mayor Dean Trantalis/ Scott Wyman, Alternate	P	3	0

Staff / Guests

Avis Wilkinson, Housing Programs Administrator/Staff Liaison
Lashanda Elliott, Administrative Assistant
Adam Schnell, Planner II, Department of Sustainable 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 9:01 a.m. It was noted that a quorum was present at the meeting.

II. APPROVAL OF MINUTES – September, October, and November, 2020

Motion made by Vice Chair Epstein, seconded by Ms. Nothard, to approve the September 2020 minutes. In a voice vote, the **motion** passed unanimously.

Motion made by Vice Chair Epstein, seconded by Ms. Nothard, to approve the October 2020 minutes. In a voice vote, the **motion** passed unanimously.

Motion made by Vice Chair Epstein, seconded by Ms. Nothard, to approve the November 2020 minutes. In a voice vote, the **motion** passed unanimously.

III. OLD BUSINESS

- **Affordable Housing Trust Fund Balance Update – Avis Wilkinson**

Ms. Wilkinson reported that the current Affordable Housing Trust Fund balance is currently \$807,831.73. Approximately \$122,000 has been removed from the Trust Fund for use on a project by the Fort Lauderdale Community Development Corporation.

IV. NEW BUSINESS

- **Affordable Housing Policy Update – Adam Schnell, Urban Design & Planning**

Adam Schnell, Planner II with the Department of Sustainable Development, showed a PowerPoint presentation on the City's affordable housing policy. Roughly 60% of rental households spend over 30% of their income on housing. The housing and transportation costs (H&T index), which states that the combined costs of housing and transportation should not be above 45% of household income, averages 63% in Fort Lauderdale.

To create additional affordable housing, the Department of Sustainable Development has modified a number of existing zoning regulations as well as created new regulations to support affordable housing development. These policy modifications include the allocation of residential flex units. Historically, developers may request these units without conditions. The policy has been modified to ensure that if a developer requests residential flex units, a portion of them must be set aside as affordable.

This policy will use the existing residential unified flex map, which encompasses the South, Northwest, and Downtown Regional Activity Centers (RACs), as well as their primary corridors. These areas permit higher density of development, which allows developers to meet economies of scale to offset the cost of affordable housing. The affordable units are not constructed by right, which means the policy does not violate Florida House Bill (HB) 7103.

Once the RAC units are fully allocated, residential flex units may be applied for in areas with a commercial future land use. These areas are typically located on primary corridors and must always be applied for as a conditional use, as residential development is not otherwise permitted. The Northwest RAC has approximately 4000 RAC units remaining, with 106 units in the Downtown RAC and 263 in the South RAC.

The "set-aside" function would include three separate categories: rental, sale, and payment in lieu. The rental component requires that 15% of units be set aside as affordable, with a 30-year deed restriction. 5% of these units must be at or below 60% of the area's mean family income (MFI), 5% at or below 80% of MFI, and 5% at 100% of MFI.

The sale component requires that 10% of units be set aside as affordable, and also uses the 30-year deed restriction. This is a lesser component than rental, as the cost of constructing for-sale houses is typically greater than the cost of multi-family units. In addition, developers only recoup the costs of construction upon the units' sale. 5% of these units must be set aside at 100% of MFI, with the remaining 5% at 120% of MFI.

The payment in lieu option is the same as a Broward County program which uses the Florida Housing Finance Corporation's average cost of construction. A developer would deposit these funds into the Affordable Housing Trust Fund to be used at a later date to offset affordable housing development costs or construct other affordable housing.

Mr. Schnell continued that Broward County's payment in lieu fee is roughly \$42,000. It uses the average cost of garden, low-rise, and mid-rise apartments. A development with 100 units, for example, would multiply 100 by \$42,000. The payment in lieu is not calculated by affordable units only, but by the entire development, which means the example would result in a payment of \$4.2 million into the Affordable Housing Trust Fund. This policy has not yet been adopted at the County level.

Mr. Schnell continued that MFI is based on the Broward County Metropolitan area's median income, which is released by the U.S. Department of Housing and Urban Development (HUD) each year. The 2020 MFI for Broward County was \$74,800. MFI is also used to calculate the sale price of units.

One new policy created by the Department of Sustainable Development is the flex allocation density bonus. Developments with a future land use of commercial may opt to add more affordable housing units than are required by set-aside percentages, and would receive a density bonus of two market-rate units per additional affordable housing unit. This bonus may not exceed 30% of the underlying density, which is 50 units per acre. This would allow developers to increase density to 65 units per acre.

An existing height bonus is possible in the Northwest RAC, which is being modified to ensure it is appropriate for the development community. A 10% set-aside calculation currently requires a deed restriction in perpetuity. Another proposal is expedited review: while at present, a request for additional height requires Site Plan Level II review and City Commission approval, the proposal would instead require Site Plan Level II review with the option of City Commission call-up. If an item is not called up, this could save a developer two to three months.

The South RAC also provides an existing height bonus, although there are currently no set-aside requirements in this area. The policy proposes a 10% set-aside requirement, with 5% of units set aside at 60% of MFI and 5% at 80% at MFI with a 30-year deed restriction. These units must comply with the City's Affordable Housing Plan and Affordable Housing Development Agreement. More expedited review is also proposed for the South RAC.

The City's Uptown Urban Village area already offers a density bonus incentive, with a base density of 50 units per acre. Developers who provide one affordable housing unit at 80% of MFI may receive up to four market-rate units and one affordable housing unit; at 100% of MFI, they may receive two market-rate units, not to exceed 100 dwelling units per acre. The proposed policy would also modify the existing 15-year deed restriction to 30 years.

The County's Land Use Plan Amendment, PCT 20-4, permits residential density in applicable areas such as RACs and areas with a future land use of commercial. Units allocated for these areas would be drawn from a separate pool of units outside the residential flex and RAC pools. Density would be determined using a formula to provide market-rate units based on the number of units set aside as affordable. The payment in lieu option must match the most recent total development cost average by the Florida Housing Finance Corporation.

Staff believes this policy would support the creation of additional affordable housing development, as well as other ongoing initiatives. Once all RAC units have been allocated, more cannot be requested. This policy function is similar to flex policy, as it allows for the continued construction of affordable housing units into the future. Because it is a County policy, the City would need to adopt regulations to implement the policy.

Chair Stewart asked if there are ongoing discussions regarding the inclusion of accessory dwelling units. Mr. Schnell replied that this is a touchy subject for many communities: for this reason, it has been determined that this would be addressed as its own policy measure. If the idea of integrating affordable housing into development projects becomes normalized, the community is likely to be more receptive to the idea of accessory dwelling units as well. At present, these units may be added as an ancillary use, similar to a duplex, but with the accessory unit's square footage limited to 49% or less of the square footage of the principal dwelling unit.

Ms. Nothard asked if parking requirements are part of the discussion surrounding the Broward County Land Use Plan. Mr. Schnell stated that parking is regulated by local jurisdictions. In 2020, the City adopted a parking reduction for affordable housing units of one space per unit.

Mayor Trantalis requested clarification of the City's track record regarding the development of affordable housing in connection with the RAC units allocated by Broward County. He recalled that these units were allocated to Fort Lauderdale based upon a requirement that a certain percentage of the units be affordable. Mr. Schnell replied that only a small number of projects have built affordable housing within the RACs thus far. 10% of these units were intended to be set aside as affordable housing.

Mayor Trantalis explained that he would like to know how many affordable units were actually constructed from the most recent allocation of RAC units. Mr. Schnell advised that no affordable units were constructed. The City may not request additional RAC units

from the County without meeting the 10% set-aside for affordable housing. The proposed language regarding affordable housing policy is under review by the City Attorney's Office. A public hearing will be scheduled before the Planning and Zoning Board and the City Commission in the coming months.

Ms. Nothard asked if impact studies have been conducted to determine the effects of affordable housing policies on communities of color. Mr. Schnell replied that no such studies have been conducted thus far; however, the Northwest RAC, which has the City's highest minority population, includes the majority of existing affordable units. It is not considered good policy to locate all affordable housing in a single neighborhood or area.

Vice Chair Epstein commented that residents are interested in knowing where affordable housing is located or being developed. Mr. Schnell agreed, adding that it is important to educate the public that affordable housing already exists in Fort Lauderdale and is well-integrated into the City. Vice Chair Epstein suggested that this could be accomplished through public service announcements so communities can see the benefits of successful affordable housing policy.

Ms. Daly asked how the percentage of set-aside affordable units is determined. Mr. Schnell explained that this is based on a policy that establishes a middle ground: when inclusionary zoning or similar programs are established, they typically use a 20% or 30% set-aside requirement. Because affordable housing is relatively new to South Florida developers, the 10% to 15% set-aside is intended to stimulate affordable housing without seeming onerous to the development community.

Ms. Nothard requested an update on the County's policy regarding accessory dwelling units. Mr. Schnell advised that there was no timeline at present for bringing this issue forward at the City level. Ms. Wilkinson added that information on this topic has been sent to the Committee members regarding the Florida Housing Finance Corporation's response to accessory dwelling units.

Chair Stewart requested that future public hearing dates for the discussion of these topics be provided to the Committee once policy language and public discussions have been finalized.

Ms. Bullard asked if the marketing and placement of households meeting MFI requirements for affordable housing would continue once those households have been placed in set-aside affordable units. Mr. Schnell explained that developers would be required to provide annual affidavits ensuring that they remain in compliance with these policies, and that the affordability plan would need to include a marketing element. He reiterated, however, that the set-aside policies discussed at today's meeting have not yet been fully implemented.

- **AHAC Workplan 2021**

Chair Stewart stated that the Committee may wish to include items addressing accessory dwelling units and affordable housing policy implementation and compliance as part of the 2021 Workplan. This will ensure that the Committee can support the City's affordable housing policies once they have been adopted. Another consideration is the assurance of equity in affordable housing with respect to location, percentage of units, and other components.

Chair Stewart addressed accessory dwelling units in particular, pointing out that these units were included in a previous presentation made by Urban Design and Planning. Vice Chair Epstein emphasized the importance of public perception in passing legislation related to affordable housing in order to counter any negative comments or perceptions. Chair Stewart recalled that information on this topic previously provided by Ms. Wilkinson had included talking points to refute myths about affordable housing.

Ms. Daly asked if accessory dwelling units could be considered affordable housing. Ms. Nothard commented that the size of these units often results in inherent limitations on cost. There are typically no deed restrictions stipulating the affordability of these units. Mr. Wipplinger agreed that these units may represent a "gray area" of which some developers or owners may wish to take advantage if it is not sufficiently monitored.

- **2021 Meeting Schedule**

Ms. Wilkinson noted that all 2021 meetings would be held online unless the Committee is informed otherwise.

Motion made by Ms. Nothard, seconded by Ms. Daly, to adopt the [2021] meetings as scheduled. In a voice vote, the **motion** passed unanimously.

V. AGENDA TOPICS FOR NEXT MEETING

Chair Stuart noted that the next Agenda will include further discussion of the 2021 Workplan, and encouraged the members to review the information sent by Ms. Wilkinson to inform the bulk of their discussion. He encouraged the members to bring forward any specific items they wished to discuss at the February 8, 2021 meeting.

VI. GOOD OF THE ORDER

None.

VII. NEXT SCHEDULED MEETING DATE – February 8, 2021

VIII. ADJOURNMENT

There being no further business to come before the Committee at this time, the meeting was adjourned at 10:19 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.]