



CITY OF FORT LAUDERDALE

**Approved**  
**MEETING MINUTES**  
**CITY OF FORT LAUDERDALE**  
**AFFORDABLE HOUSING ADVISORY COMMITTEE**  
**100 NORTH ANDREWS AVENUE**  
**CITY COMMISSION CHAMBERS**  
**1<sup>ST</sup> FLOOR CITY HALL**  
**MONDAY, NOVEMBER 8, 2021 – 9:00 A.M.**

**Cumulative**

<b>Board Members</b>	<b>Attendance</b>	<b>June 2021-May 2022</b>	
		<b>Present</b>	<b>Absent</b>
Brandon Stewart, Chair	P	5	0
Uwe Cerron	A	1	4
William Condon	P	1	0
Nancy Daly	P	5	0
Donnalee Minott	P	3	2
Margi Nothard	A	2	3
Edwin Parke	P	5	0
Reed Solberg	P	3	0
Ryan Wipplinger	P	4	1
Mayor Dean Trantalis/ Scott Wyman, Alternate	P	3	2

**Staff**

Avis Wilkinson, Housing Programs Administrator/Staff Liaison  
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. Roll was called and it was noted a quorum was present.

**II. APPROVAL OF MINUTES – October 11, 2021**

**Motion** made by Mr. Wyman, seconded by Mr. Parke, to approve. In a voice vote, the **motion** passed unanimously.

**III. OLD BUSINESS**

- **Affordable Housing Trust Fund Balance – Avis A. Wilkinson**

Ms. Wilkinson stated that the undesignated Affordable Housing Trust Fund balance is \$304,801.14 in unencumbered funds.

Chair Stewart welcomed new member William Condon to the Committee.

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

- **Presentation from Pamela Adams, Fort Lauderdale CDC**

Pamela Adams, Director of the Fort Lauderdale Community Development Corporation (CDC), showed a PowerPoint presentation to update the Committee on the organization's activities since funds were awarded to them in 2019. They received \$300,000 from the Affordable Housing Trust Fund, as well as Home Investment Partnerships Program (HOME) funds.

One of the programs for which the CDC received money was a single-family home in need of substantial rehabilitation. \$135,000 was allocated to this project, while \$165,000 went toward a rental project. The rental project included:

- Replacement of the roof
- Conversion of air conditioning window units to an energy-efficient "mini-split" system, which supplied each unit with central air
- Installation of energy-efficient hurricane impact-resistant windows and doors
- Upgrade of electrical and plumbing services
- Resurfacing of the parking lot and driveway
- Connection of property to the City's sewer system

Fort Lauderdale CDC also converted a two-bedroom, one-bath single-family home to a solar-powered energy-efficient home with three bedrooms and two baths. Other upgrades included a new sewer system and energy-efficient windows, which will improve the homeowner's quality of life and make the home more cost-effective. The City was an active and supportive participant in this project. The CDC remains in contact with the homeowner to ensure that their investment allows the utility bill to remain feasible.

Ms. Adams advised that these projects included 100% participation from small and minority-owned businesses. The focus was on sustaining existing properties while creating affordable housing in Fort Lauderdale. Within this scope of work, the renters and home buyer were afforded the opportunity to reduce their living expenses.

- **Questions**

Chair Stewart commented that these projects appear to have exceeded expectations and can serve as models for projects yet to come. He recalled that there had been some issues with an adjacent property owner of the rental project with respect to the acquisition of additional land, and asked if these discussions are ongoing. Ms. Adams replied that there would be no expansion of this project, as the lot in which Fort Lauderdale CDC was interested was sold to another entity.

Mayor Trantalis stated that the City has turned a number of lots over to the Fort Lauderdale Housing Authority or to the appropriate Community Redevelopment Agency (CRA). Opportunities to build single-family homes continue through these programs. Ms. Wilkinson confirmed that she plans to meet with the CRA to discuss the distribution of these lots to nonprofit entities.

Ms. Adams advised that Fort Lauderdale CDC has applied for infill housing parcels and has been awarded five lots for development. They plan to sign two contracts with first-time home buyers later in the week.

Mr. Parke asked how much longer the CDC expects to be able to build houses at similar costs to the projects described earlier, noting that the price of construction materials continues to rise. Ms. Adams stated that these costs are no longer feasible: the organization is now looking at costs in the low \$300,000 range. Ms. Wilkinson added that the purchase price for the HOME Purchase Assistance program has been increased to \$282,000.

Mayor Trantalis acknowledged that while South Florida continues to attract the attention of tech industries and other high-paying companies interested in relocating to the area, this can create difficulty for affordable housing by driving up prices. He emphasized that Fort Lauderdale hopes to attract a more diverse economy in order for the City to remain affordable and enjoyable for all its residents.

Mr. Parke requested clarification of the difference between low-income housing and affordable housing. Ms. Wilkinson explained that in order for a home to be classified as affordable, the homeowner should be using no more than 30% of their income toward their rent or mortgage. The City's Department of Housing and Community Development focuses instead on low-income housing, which means those individuals or families are at or below 80% of the area median income (AMI).

This definition is based on guidance from the U.S. Department of Housing and Urban Development (HUD) for the use of HOME funds, which is limited to use for extremely low to low-income families or individuals. State Housing Initiative Partnership (SHIP) funds, however, can be used for individuals or families earning up to 140% of AMI. SHIP funds are not used toward purchases, but toward other types of housing assistance.

Ms. Wilkinson recalled that the City assisted the purchaser of Fort Lauderdale CDC's rehabilitated single-family home by providing them with down payment assistance. Ms. Adams added that proceeds from the sale of this property are being reinvested in another single-family home to be sold to a low-income buyer.

- **Presentation from Mitchell Rosenstein, Principal, Green Mills Group**

Mitchell Rosenstein and Juanita Bernal, Principal and Development Manager of the Green Mills Group, showed a presentation on the Seven on Seventh and Pantry Lofts

communities in Fort Lauderdale. The Seven on Seventh development has been designed on a rezoned property near the Broward Partnership for the Homeless campus. It will include 72 units, 11 of which will be reserved for extremely low-income (ELI) residents earning up to 28% of AMI and 61 of which will be reserved for residents earning 60% or less of AMI.

Mr. Rosenstein noted that low-income housing has become synonymous with workforce housing, as it serves a very large population. Seven on Seventh includes an overlay requirement that 36 of its 72 units are reserved for individuals and families who are formerly homeless or at risk of homelessness. Many of these residents will have gone through programs offered by the Broward Partnership for the Homeless and are ready to transition into permanent supportive housing.

The development will be eight stories tall with structured parking and onsite amenities. Its total development cost is more than \$28 million. The development team applied for and was awarded more than \$20 million worth of low-income tax credits. They also sought a \$5 million Florida Housing Sale loan and a \$370,000 ELI loan. Broward County is providing a \$1 million subordinate loan. The development team hopes to receive a temporary certificate of occupancy (TCO) by the end of calendar year 2022 or the beginning of 2023.

Mayor Trantalis asked what entity would administer determination of who may live at the Seven on Seventh development. Mr. Rosenstein replied that there is some flexibility in this area: the team plans to offer an open marketing process for initial units, with the caveat that prospective residents must go through stringent income checks to ensure that they qualify for residency. The overlay for 36 units reserved for formerly homeless or at-risk of homelessness residents will also apply. Most of these 36 units will most likely go to graduates of Broward Partnership for the Homeless' programs, although the developer may design their own marketing and qualification process. They are not obligated to have a Housing Authority or other program administer the units.

Mayor Trantalis asked if the project is considered permanent supportive or transitional housing. Mr. Rosenstein advised that it is permanent supportive housing. All residents are expected to sign annual leases. The project is expected to look and feel like other affordable housing tax credit communities, with additional wraparound services for the residents in the 36 units reserved for Broward Partnership graduates.

Mr. Rosenstein advised that because construction costs are currently very high, the development team has value-engineered a number of items to ensure cost containment. They are building a large parking garage that can both accommodate residents of Seven on Seventh and serve the parking needs of the Broward Partnership campus. This garage contributes toward the overall expense of the project. The developers hope to apply a ratio of one parking space per residential unit.

Mr. Rosenstein next addressed the Pantry Lofts community, which will be associated with the nonprofit entity Pantry of Broward, which is located at Sistrunk Boulevard and NW 3<sup>rd</sup> Avenue. The Green Mills Group met with the Pantry of Broward to enter into a partnership similar to the collaboration with Broward Partnership for the Homeless, which includes a long-term ground lease. The project will both rebuild the Pantry's facilities and build affordable housing on the property. The development will include new warehouse, loading dock, and office space for Pantry of Broward, which provides food services for senior citizens with low incomes throughout Broward County.

The developers next approached Fort Lauderdale City Staff to advise them of the project and suggest that a relatively small nearby City lot be folded into the development. After going through a request for proposal (RFP) process with the City, the team earned the right to assemble this corner parcel into the full development, resulting in more efficient design and construction. The project will include retail facing Sistrunk Boulevard and an amenity deck above the parking garage. The Pantry's expanded facilities will be in the back of the site.

The project will offer 100 affordable apartments, some of which will include higher income levels reaching up to 80% of AMI. This allows the development team to apply for tax credits. Total development costs are estimated at \$32 million. They have applied to the City and CRA for a \$640,000 subordinate loan. This is considered a matching contribution and generates more points when the development applies for more tax credit allocation from the state of Florida.

The team must leverage state and federal subsidies with more conventional approaches, such as a \$5 million standard real estate loan. A significant portion of profit will be used to balance the project's budget.

The team has made several presentations to the local homeowners' association, which is the Progresso Village Civic Association, and has received its support. They have also attended CRA advisory meetings, which resulted in the Mayor, City Commissioner, and City Manager signing off on the local contribution. An application has been submitted to Florida Housing for over \$20 million in subsidies, which has not yet held a meeting of its review committee. Because of the number of Broward projects submitted for this lottery, it is likely the project will be re-submitted the following year.

- **Questions**

Mayor Trantalis requested additional information on Pantry Lofts' retail component. Mr. Rosenstein recalled that after meeting with the CRA, Civic Association, and neighboring businesses, these entities expressed a strong preference for true third-party retail in order to activate the Sistrunk Corridor. The current plan is for a modest amount of retail on-site, possibly including a small coffee shop or similar venture.

Mayor Trantalis commented that retail such as a food mart or drugstore would be useful, as these would serve the everyday needs of residents. He pointed out that while the developers may lose some money on this aspect, as these spaces could not be rented at the same rate as a residential unit, they would add value to the overall property. Mr. Rosenstein noted that CVS is a tax credit investor partner for another community he has developed, and is rolling out “micro-pharmacies” in some communities, which may be an option for Pantry Lofts.

Mr. Parke expressed concern that most of the affordable/low-income units in Broward County are rental rather than owned units. Mr. Rosenstein advised that subsidies are available for the development of multi-family rental units, while there are fewer such subsidies for affordable homes that can be purchased. He noted that the Biden administration has proposed subsidies in certain areas that may enable affordable home ownership. In addition, not all families or individuals are prepared for home ownership, as this includes significant responsibilities. A professionally managed building requires the maintenance of units and amenities in good shape, while homeowners may not be able to achieve similar maintenance.

Mr. Rosenstein emphasized that there is still a significant need for affordable rental units. The rents for a one-bedroom unit at Pantry Lofts will range from \$495 to \$1300, while a two-bedroom unit will range from \$600 to \$1400. Because rents are capped at these prices, the costs of insurance and/or utilities cannot be passed on to residents. The same would not be true for home ownership.

Chair Stewart requested more information on the discussions between Green Mills Group and nearby neighborhood associations. Mr. Rosenstein replied that developments such as Seven on Seventh and Pantry Lofts require a great deal of time and patience to bring to fruition. The organization has worked with nonprofit landowners, including the Broward Partnership for the Homeless and Pantry of Broward, as well as the City of Fort Lauderdale.

One challenge for affordable housing development has been identifying patient landowners, as the process of attaining subsidies can be very lengthy. The developers also spend significant time working with the local community, including neighboring businesses, residents, and civic entities, and listening to their feedback. Mr. Rosenstein characterized this as working to earn the support of the City and surrounding neighbors, which is important to the structure and function of these developments.

Mr. Rosenstein continued that it is often best to be up-front and address questions head-on, expressing confidence in the developers’ work and directing attention to previous successes. While these residences may be smaller than market-rate communities, the developers must still act as good stewards of public subsidies. The intent is to increase the local tax base and redevelop blighted properties into attractive communities with professional management and a range of affordable rents.

Chair Stewart asked if the process appears to be favorable at the County and state levels. Mr. Rosenstein advised that he wished more funds would be made available to Broward County from the state so more projects of this nature could be achieved. While some funds from the American Rescue Plan Act will be available through Broward County, there are also concerns, such as the costs of land and construction, which make it difficult to balance a project's budget. The lack of available developable land in Broward County is one of the major challenges facing affordable development.

Mr. Parke asked how the projects would address infrastructure and traffic, as well as clarification of the main benefits of these projects to the community. Mr. Rosenstein replied that the developers are upgrading dilapidated properties into new facilities that serve local nonprofits, with mixed-income affordable housing. This will provide more opportunities for residents who hope to live near the City's center at an affordable rate. With regard to traffic, he noted that the City is moving in the direction of ride-sharing models, which can alleviate some of the burden on traffic capacity.

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

**Motion** made by Ms. Daly, seconded by Mr. Solberg, to not have the December meeting and reconvene in January. In a voice vote, the **motion** passed unanimously.

Mr. Parke asked if the City offers any incentives for development using solar energy. Ms. Wilkinson replied that while there are no incentives, this is encouraged in affordable housing, including SHIP-funded projects. Mr. Parke recommended addressing the possibility of this incentive due to rising utility costs.

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

None.

#### **VII. NEXT SCHEDULED MEETING DATE – December 13, 2021**

This meeting was cancelled.

#### **VIII. ADJOURNMENT**

There being no further business to come before the Committee at this time, the meeting was adjourned at 10:25 a.m.

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