



CITY OF FORT LAUDERDALE

Approved
MEETING MINUTES
CITY OF FORT LAUDERDALE
AFFORDABLE HOUSING ADVISORY COMMITTEE
100 NORTH ANDREWS AVENUE
CITY COMMISSION CHAMBERS
1ST FLOOR CITY HALL
MONDAY, MAY 9, 2022 – 9:00 A.M.

Cumulative

Board Members	Attendance	January-December 2022	
		Present	Absent
Brandon Stewart, Chair	P	5	0
Alexander Coffey	A	0	1
William Condon	P	5	0
Leighton Lindo	P	2	1
Margi Nothard	P	4	2
Edwin Parke	P	5	0
Reed Solberg	P	4	0
Ryan Wipplinger	A	4	1
Mayor Dean Trantalis / Scott Wyman, Alternate	P	4	1

Staff

Avis Wilkinson, Housing Programs Administrator/Staff Liaison
Carla Blair, 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 9:02 a.m. Roll was called and it was noted a quorum was present.

II. APPROVAL OF MINUTES – April 11, 2022

Motion made by Mayor Trantalis, 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 balance of the Affordable Housing Trust Fund is \$620,600.21. None of these funds are encumbered at this time.

Mayor Trantalis requested an example of how these funds might be used. Ms. Wilkinson explained that they may be used toward any type of affordable housing that will be developed, including use as matching funds. Most recently, the Fort Lauderdale Housing Authority used approximately \$700,000 from the Trust Fund.

Ms. Wilkinson suggested that the City may wish to revise the guidelines for the use of these dollars, recalling that these guidelines were originally written with the intent that the Affordable Housing Advisory Committee (AHAC) would provide oversight of their use. This has not been the case, however, and she recommended that an entity be identified as overseer of this Trust Fund.

- **2022-2025 SHIP Local Housing Assistance Plan Update – Avis A. Wilkinson**

Ms. Wilkinson advised that she emailed copies of the 2022-2025 State Housing Initiative Partnership (SHIP) Local Housing Assistance Plan (LHAP) update to the Committee members. It was approved by the City Commission on April 5, 2022, and has been submitted to the Florida Housing Finance Corporation. This new LHAP takes effect on July 1, 2022.

IV. NEW BUSINESS

- **Habitat for Humanity Middle River 24-Unit Townhome Development – Justine Morgan**

Justine Morgan and Nancy Robin, representing Habitat for Humanity of Broward, showed a PowerPoint presentation on BBI Village, which is located in the Middle River neighborhood. The organization's goal is to create new units for working families in Fort Lauderdale.

Habitat for Humanity is an international entity with 1200 global affiliates, and has been in existence for nearly 40 years. The local organization is the 12th-largest construction builder in Broward County. They focus on serving first-time home buyers, many of whom are priced out of affordable housing. Buyers must demonstrate a housing need, and Habitat for Humanity must ensure they can afford a zero- or low-interest mortgage. The buyer's income must be less than 80% of the area median income (AMI).

Habitat for Humanity maintains site control of all its projects, and collaborates with and manages all vendors associated with the property. All homes and town homes are safe, energy-efficient, and affordable. The organization engages volunteers and future homeowners to keep costs low. When the COVID-19 pandemic began, Habitat for Humanity was forced to find new ways to keep costs low, as it was not safe to have volunteers congregate on a site. This was accomplished through its national vendor and supply chain relationships.

Homeowner selection and education is a critical component of the program. Habitat for Humanity vets all families, ensuring their willingness to partner with the organization for roughly one year before they move into their homes. Throughout that year, families complete 300 hours of work in equity workshops, life skills, and home ownership skills. All families partnering with Habitat for Humanity receive a low-interest mortgage based on the appraised home value. This enables families to build equity.

Because Habitat for Humanity is the lender and servicer of mortgages, they are able to work with families throughout the long term. If a catastrophic event occurs, such as a natural disaster or a pandemic, they are able to support partner families who have moved into their homes. This helps avoid a rash of foreclosures if an emergency occurs.

At present, the BBI Village project is in its pre-development phase. Habitat is working with the City's Housing and Building Departments to review preliminary site plans. The first phase is expected to be complete by spring 2023, at which time it will be followed by phase two, which includes the vertical construction of one-half of the town homes. This will be completed in winter 2024. The third phase will construct the second set of town homes. City officials will be invited to attend the dedication of the building.

Habitat for Humanity is currently working with partner agencies on the project and anticipates construction of roughly 20 to 24 town home units. The total project cost is estimated at \$6.5 million. Families will be qualified at approximately \$280,000 per unit. The units will have three to four bedrooms and two bathrooms. The project is located near a single-family community east of I-95.

Chair Stewart asked how land is acquired for Habitat projects. Ms. Robin replied that the organization has a long history of partnership with the City, having constructed over 100 homes there. She emphasized Habitat's ability to leverage land purchases for home ownership. The BBI Village project was acquired off-market.

Chair Stewart commented that Fort Lauderdale owns a number of residential and commercial parcels, which may also be sold in order to generate revenue for the Affordable Housing Trust Fund. He emphasized the importance of partnership between the organization and the City in identifying potential parcels for development.

Ms. Morgan advised that Habitat's model moves families from home rental to home ownership, which increases the City's tax base. She added that when a family moves from a rental unit to a home, this opens up the rental unit they vacated for another family who may have been on a waiting list.

Mr. Lindo requested additional information on some of the impediments or hindrances that may prevent applicants from selection. Ms. Morgan explained that this process includes review by a selection committee. Applicants must be first-time home buyers. Habitat for Humanity also conducts background checks and determines applicants' ability

to afford the process. Some applicant families earn too much money to participate in the program.

Chair Stewart asked if applicants in proximity to Habitat projects are given preference. Ms. Morgan replied that there are some chapters of Habitat that seek to place local families in homes, and this has been considered as part of the plan. Ms. Robin added that when the organization receives significant funding from a municipality, and that municipality has a preference for their own residents, consideration can be weighted toward local families. At present, consideration is weighted for veterans.

Mr. Parke asked how the ability to pay utility bills, taxes, and homeowners' insurance is addressed. Ms. Robin advised that another consideration is the changing nature of flood plain zones. All of these issues contribute to a more challenging landscape that requires the layering of more subsidies. In addition to these costs, the amount of cash that is needed for even a minimal down payment makes home ownership extremely difficult. Only 10% of the local population can afford a house at current market rates. Habitat for Humanity absorbs closing costs for many partner families.

Ms. Nothard requested clarification of the portion of Habitat's programs that address rental instead of home ownership. Ms. Morgan stated that all BBI Village units will be owned. Habitat for Humanity emphasizes the importance of sustainability of home ownership. They own a number of land trusts, which are a good mechanism within gentrified areas, and place deed restrictions on land in order to carry forward affordable home ownership. If the property is to be sold, Habitat has first right of refusal so they have the opportunity to purchase it back. Deed restrictions range from 30 to 99 years.

Mayor Trantalis asked if Broward County is participating in the development of the BBI Village project. Ms. Morgan replied that there have been no commitments from the County thus far. She pointed out that addressing the current affordable housing crisis will require both ownership and rental. Many of the funds that can be provided by the County are specific to rental projects, while Habitat's focus is on ownership.

Mayor Trantalis suggested that Habitat may wish to consider a condominium model for the fee simple ownership of the land on which the town homes will be constructed. This model allows owners to accrue equity over time, and ownership of the land by an association may lessen the possibility of issues between homeowners. Ms. Robin noted that BBI Village will have a homeowners' association. She pointed out that the cost of a condominium would be significantly higher due to requirements, even with fee simple ownership. Condominium development is subject to additional regulations which add to both complexity and costs.

Chair Stewart asked how Habitat balances the number of units in a project with the existing demand for them. Ms. Morgan replied that this is a difficult issue: there is a need to bring a great many affordable units to market, which requires density. Most development in the City consists of rental units; however, in this case, the developer has

a revenue stream and asset that allows them to turn a profit. There is less incentive for developers to participate in Habitat's home ownership model, which focuses on balancing density with quality of life.

Chair Stewart asked if it would be possible to develop more units on a parcel of the same size as BBI Village. Ms. Robin replied that zoning Code requirements can present a significant impediment to development, and that the City may choose to waive some of these requirements in recognition of the need for greater density and affordable housing.

Ms. Nothard asked if Habitat is required to meet certain AMI levels within its home ownership models. Ms. Robin replied that the AMI served by Habitat for Humanity is 80% or below. Because home ownership can be difficult, they do not focus on the lowest levels of AMI, as this could ultimately prove to be a disservice to participants if they found themselves unable to afford home maintenance. The goal is for house payments not to exceed 30% of income. The average AMI that can be successful in Habitat's program is roughly 60%, although this can be difficult in an environment of escalating costs.

Mr. Parke asked if Habitat's units will use solar or other alternative power sources. Ms. Morgan replied that Habitat works closely with partners at Florida Power and Light (FPL) and seeks to build projects to Leadership in Energy and Environmental Design (LEED) standards. They constantly evaluate ways to reduce energy costs. At present, solar power would be an expensive alternative due to the maintenance required; however, this method continues to evolve. All appliances in Habitat for Humanity homes are energy-efficient.

V. AGENDA TOPICS FOR NEXT MEETING

Ms. Wilkinson advised that she would reach out to the City's Urban Design and Planning Department to determine whether or not they can provide a presentation the following month.

Chair Stewart observed that United Way's most recent Asset Limited, Income Constrained, Employed (ALICE) report has been released. Ms. Wilkinson suggested that a presentation on this report may be a backup plan if Urban Design and Planning is unavailable in June.

VI. GOOD OF THE ORDER

Mayor Trantalis commented that affordable housing is a challenge for many South Florida communities, due in part to the popularity of these cities. As more individuals and families relocate to Fort Lauderdale and other cities, there is greater pressure on the existing housing stock, which results in increased costs due to increased demand. He emphasized that the City Commission is aware of the stress that construction of new units may cause to existing single-family neighborhoods, and continues to work with developers to create sustainable communities in newer housing areas. He added that he plans to convene a meeting of major housing stakeholders to address sustainability.

Mayor Trantalis continued that affordability of housing is closely related to the sustainability of a neighborhood, as residents need to be able to live in an area they do not have to leave to access necessities. This will ultimately make Fort Lauderdale a better place to live. He concluded that the planned construction of a movie studio near BBI Village area will create even more demand within this area.

VII. NEXT SCHEDULED MEETING DATE – June 13, 2022

VIII. ADJOURNMENT

There being no further business to come before the Committee at this time, the meeting was adjourned at 9:53 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.]