

AFFORDABLE HOUSING ADVISORY COMMITTEE

A meeting of the Indian River County Affordable Housing Advisory Committee (AHAC) was held on August 26, 2020, at 9:00 a.m. via Zoom videoconferencing and also held live in Conference Room B1-501 of the County Administration Building B, 1800 27th Street, Vero Beach, Florida. An audio recording can be found at <http://www.ircgov.com/Boards/AHAC/2020.htm>.

Members Present

Julianne Price, President, Every Dream Has a Price, Chairperson
Damien Gilliams, City of Sebastian
Mark Mathes, City of Fellsmere
Laura Moss, Councilmember, City of Vero Beach
David Myers II, Mortgage Industry
Noah Powers, Town of Orchid
Kenneth “Chip” Landers, Local Planning & Zoning Agency

Members Absent

Bob Solari, Board of County Commissioners (BCC), Non-voting BCC Liaison
Sheryl Vittitoe, President, Habitat for Humanity, Vice Chairperson (Jeff Francisco was representing Habitat for Humanity on her behalf)
Linda Morgan, Progressive Civic League, Small Business Owner
Mark Seeberg, Real Estate Professional in Connection with Affordable Housing
Tom Slater, Town of Indian River Shores

IRC Staff/Officials Present

Bill Schutt, Chief, Long-Range Planning
Matt Kalap, Community Development
Dylan Reingold, Indian River County Attorney
Jason Brown, Indian River County Administrator
Meighan Alexander, Commissioner Assistant, Recording Secretary

Others Present

Jeff Francisco, Habitat’s Director of Outreach and Impact
Ellen Kendall, John’s Island Community Service League
Louise Hubbard, Treasure Coast Homeless Service Council
Margie Wheeler
Anne Marie Avante, St. Francis Manor

1. Call to Order

Chairperson Price called the meeting to order at 9:05 am. A roll call was performed and it was noted that a quorum was present.

2. Additions or Deletions to the Agenda

Chairwoman Price asked staff to provide an update at the end of the meeting concerning CARES Act funding.

3. Approval of Minutes of June 17, 2020 Meeting

Mr. Gilliams moved to approve the Minutes of June 17, 2020. Seconded by Mr. Landers. All voted in favor. The Minutes were approved unanimously.

4. Review of DRAFT Request for Proposals for a Developer to Redevelop the Former Gifford Gardens Apartments Site with Housing that is Affordable

Mr. Bill Schutt, Chief of Long Range Planning, reminded the Committee that this item concerned the acquisition of a 3.3 acre parcel within the former Gifford Gardens site, which was an apartment complex that had fallen into disrepair. He advised that the County acquired the site earlier this year and the County is considering how best to develop the site and build affordable housing. He reminded the AHAC that the members had previously discussed the RFP, including the language concerning incentives to develop the site, general development design parameters, housing design requirements, development review requirements, household income target and pricing points, AHAC and BCC involvement in development of the RFP, and selection of a proposed developer. Mr. Schutt stated that at the last meeting, the AHAC concluded that the end result should be a neighborhood of affordable homes with focus on homeownership. He noted that Commissioner Solari, Chairwoman Price and staff had reached out to Gifford community leaders, such as Tony Brown, Freddie Woolford and Joe Idelette, III, and had narrowed the specifications of the RFP.

Mr. Schutt reviewed how the proposed RFP provides an overview of the desired outcome of the project, general site information, site design requirements, development incentives, requirement for a developer's agreement, process for selecting a developer, and the general format of the response to the RFP.

Mr. Schutt explained criteria of the project, including the following requirements/information related to what proposers should expect: construction of owner-occupied CBS homes with a minimum of 3 bedrooms/2 baths on small or very small lots (amenities such as common areas and recreation facilities are not required due to the proximity of these types of facilities nearby); variations in architecture and roof pitches, with impact windows required; a Homeowner's Association (HOA) will be included, but not for punitive purposes, more for community-building and sharing expertise where home ownership is concerned; incentives such as free land, availability of 55 multi-family impact fee credits and water and sewer capacity charges, and County staff assistance; the purchasers of these homes will have incomes between 80% and 120% of area median income (i.e., one-person household income between \$39,000 and \$58,000 per year and four-person income between \$55,700 and \$83,520 annually); and, homes will have affordability restrictions for ten years.

Mr. Schutt advised that the developer must have a minimum of ten years' experience, provide examples of similar completed projects, the ability/demonstration to obtain financing, and provide a construction bond. He further explained the evaluation criteria and how points will be applied when the review process begins. He concluded his presentation by asking the members to review the draft RFP, provide feedback, allow staff to add language, direct staff to seek approval from the procurement division and other county staff, and present this RFP to the BCC for approval.

Chairwoman Price remarked that she was impressed with the speed and quality with which the proposed RFP was provided. She asked the members for comments. She expressed her appreciation to the Gifford community leaders for their assistance.

Ms. Moss suggested that the ten year affordability time frame should be longer for this project – 15 or 20 years. Chairwoman Price stated that the time frame is relatively standard. Mr. Schutt stated that ten years is the standard for the SHIP program.

Mr. Mathes asked how the affordability aspect will be enforced. Mr. Schutt replied that affordability will be addressed during the initial purchase of the home and at the time of sale, a deed restriction will be included. Mr. Mathes suggested including language in the RFP that a deed restriction (at the time of sale) would be required.

Mr. Mathes stated that if a resident lives there for eight years and then decides to sell, the next resident has to purchase at an affordable price, and then could own it for only two more years before selling the home at a higher market price. He suggested it should be appropriate to require ten years' worth of ownership per owner. Chairwoman Price concurred with the idea, but added that it would take a great deal of County staff time to provide oversight for that type of program.

Mr. Mathes remarked that he likes the idea of allowing people remain in a house and grow it into their nest egg; however, when you extend the time frame too long, it eliminates the ability to allow someone that opportunity.

Mr. Brown commented that ten years is the time frame within the SHIP program. He noted that these types of programs allow someone to become a homeowner and to build equity. Mr. Brown pointed out that the Gifford community leaders had also suggested the ten year time frame.

Mr. Myers stated that it rare for an owner to stay in a home for ten years without refinancing or moving to a different location. He remarked that penalizing someone for being in an affordable housing-type home without allowing them to refinance or move is not appropriate; in his opinion, a ten year affordability standard is sufficient and the time frame should not be increased.

Ms. Kendall asked how the County would solicit proposers. Mr. Schutt explained that the procurement division would follow its standard procedure. Ms. Kendall suggested that members who may be familiar with commercial developers should provide the contact information to Mr. Schutt.

Mr. Landers offered several suggestions to reach developers. He stated that there should be language included to prohibit a property owner from renting the property to someone at market rate (during the ten year period.)

Ms. Hubbard remarked that more than 10 years would be a disincentive.

Chairwoman Price asserted that a rental restriction would be included in the deed and would be enforceable by the HOA, which could take legal action against the homeowner. Mr. Landers stated that Habitat for Humanity's regulations stated that your home can be taken from you, if you violate the rules.

Mr. Francisco added that if Habitat for Humanity finds out that someone is renting the house, a warning is issued and they are told to cease; if a property owner refuses, the mortgage document and deed restriction reads that Habitat can take the house back.

Mr. Myers expressed his concern with having a HOA together with an affordable housing project. He stated that the County Code Enforcement Department can enforcement any violations. Chairwoman Price replied that Code Enforcement cannot enforce a deed restriction.

Mr. Myers asked if the residents would be required to pay fees for amenities. Mr. Schutt explained that there could be a small fee for maintenance of common areas. Mr. Myers stated that there needs to be more information as to exactly what the HOA will be doing. He asked if Habitat for Humanity includes HOAs as part of their process. Mr. Francisco replied that some projects do, such as Grace Meadows in Fellsmere and the Waterside project. He explained that if Habitat develops the entire community, an HOA will be included.

Mr. Landers stated that the HOA can be a source for those who may have an issue in the neighborhood and an HOA can help protect the property value of the development's homes in the future.

Mr. Schutt asked whether the committee will want to review the RFP again once the committee's recommendations are included.

Chairwoman Price moved to provide the RFP document to the Board of County Commission, including the committee's edits. Second by Mr. Landers. The Motion passed with Mr. Myers being the sole opposition.

5. Review of draft AHAC 2020 Incentives Review and Recommendation Report

Mr. Schutt advised that Florida law requires the AHAC to submit a report to the local governing body that includes a recommendation or evaluation of affordable housing incentives. He explained that the main purpose of the AHAC is to explore how to include into County policies appropriate incentives and other actions to encourage affordable housing. He noted that an update of this report is required to be filed every three years and the next update is due to the State by December 31, 2020; however, House Bill 1339 was adopted that requires, beginning next year, the report to be submitted annually (which takes effect next year). Mr. Schutt reviewed the history of how the document has been modified.

Mr. Schutt asked the Committee members to provide any proposed revisions to the draft 2020 Report; and staff will revise, as appropriate, and advertise for a public hearing before the AHAC in October. He explained that a public hearing is required pursuant to Statute and then the Board of County Commissioners will consider approval.

Mr. Schutt went through the highlights of the 2020 draft AHAC Report. He stated that staff is recommending that the County maintain the ten adopted, existing incentives and expand upon them as recommended by the AHAC, including updating incentive descriptions and adding expedited permitting information.

Ms. Avante asked how affordable housing for elderly residents is included in this plan. Chairwoman Price replied that there are numerous recommendations in this plan where the vulnerable population of elderly residents is included. She gave the example of accessory dwellings. Mr. Schutt stated that the application of impact fee, single family unit owner occupied, would also be an example. Chairwoman Price asserted that there are numerous strategies where low income and elderly population benefit from the recommendations.

Mr. Landers moved to approve the recommendations and schedule the October public hearing before the AHAC. Ms. Moss seconded the motion. The motion passed unanimously.

6. Consideration of Revised Indian River County Local Housing Assistance Plan for Fiscal Years 2021-2022, 2022-2023, and 2023- 2024

Mr. Schutt began the staff report. He noted that this plan corresponds with the AHAC incentive report. He advised that the County's State Housing Initiatives Partnership program (SHIP) established a funding source that has some minimum set aside requirements, such as 65% of funds set aside for home ownership, 75% for construction rehabilitation or emergency repair, 30% for very low income persons and 20% for individuals with special needs. He advised that the County submits these plans every three years and the current plan is in place until June 30, 2021; the County has until May, 2021 to submit next year's plan.

Mr. Schutt advised that the Proposed 2021 County Low Housing Assistance Plan (LHAP) provides assistance to eligible household, including home acquisition, minor and major rehab and emergency rehab. He explained that reviews the application, loans the funds and places a mortgage on the property; if the property owner sells, the funds return as program income. He reported that for Fiscal Year 20-21, \$1.6 million was initially approved by the State; however, the budget was vetoed by the Governor and the County will not receive those funds and it is uncertain as to whether the funds will be allocated in the future.

Mr. Schutt displayed a chart that depicted funding throughout the years and explained that there are some funds remaining to be spent and there is a backlog of applicants seeking rehabilitation funding.

Mr. Schutt stated that staff is suggesting that the AHAC consider modifying the plan. He offered some suggestions: perhaps when repeat applications are received, the County may want to consider that a limitation be placed, such as not being able to apply again for five years after expiration of a ten year rehab loan; separating the levels for purchase assistance for clarity; providing clarification of the years for loan forgiveness; and while the current LHAP includes funding levels to assist developers of low income housing projects, the amounts need to be clarified in order to not exhaust all funding for one project. Mr. Schutt also suggested increasing the emergency repair loans from \$20,000 to \$25,000.

Mr. Schutt asked the Committee to consider the LHAP and provide input, with the final review to be held at the October meeting. He explained the document would then be transmitted to the BCC for approval.

Chairwoman Price asked, with regard to re-applying for loans, how the County tracks the time for loan forgiveness, particularly with regard to repeat applications. Mr. Schutt replied that the time frame is included in the mortgage documents. Chairwoman Price suggested increasing the time frame for re-application to ten years (currently five years), as more individuals would be able to apply for new loans if funds weren't exhausted due to repeat applicants.

Mr. Gilliams asked if repeat applicants have caused difficulties in the past. Mr. Schutt stated that there is a maximum threshold that an applicant can seek. He explained that a roof leak or broken air conditioning unit may constitute an emergency, and the time frame would not apply; however, if someone uses \$40,000 on major rehabilitation on their home, they can return for more funds while new applicants are waiting.

Ms. Kendall stated that the mortgage lender may not allow additional liens on a property regardless. Mr. Schutt explained that the County loan is often a second or third position loan. Mr. Gilliam added that the first lender would be pleased that someone is improving their property, as it increases the value.

Chairwoman Price asked if someone would be able to be provided various types of loans. Mr. Schutt stated that it is possible. Chairwoman Price suggested that a cap should be considered – with a property owner only being permitted to have one type of loan. Mr. Schutt suggested that emergency rehabilitation loans (only \$10,000) should be exempt from the cap. Mr. Landers stated that disaster loans should also be exempt.

Mr. Myers asked if there is evidence that homeowners are abusing this program. He suggested that the process is first come-first served and the County should be encouraging people to improve their homes. Chairwoman Price stated that she was aware of a homeowner that received a rehab loan and then when the money was spent, they wanted additional funding. She stated that Habitat provided the original loan to build the house, then received rehab loans, and then wanted more funds.

Mr. Myers remarked that if someone qualifies for the assistance, the County should not try to hinder the homeowner. Chairwoman Price remarked that there are others in need; perhaps priority should be given to someone who has not received funds in the past. She stated that if someone has already received \$50,000, she believes that waiting ten years until they are provided another \$50,000 is reasonable. Mr. Myers stated that holding funds until someone comes along does not seem appropriate. Chairwoman Price asserted that there is a long waiting list for people who are need assistance.

Mr. Landers asked how someone is able to move up on the waiting list. Mr. Schutt stated that there are various factors that provide priority, such as a medical disability, very-low income, etc.

Chairwoman Price asked Mr. Schutt to return with options for providing a cap.

Mr. Gilliams moved to have Mr. Schutt return to the AHAC with options and a revised draft plan. Seconded by Chairwoman Price. All voted in favor.

7. Update on CARES funding

Mr. Schutt provided an update regarding the funds to be provided through the Coronavirus Aid, Relief, and Economic Security (CARES) funding. He explained that the BCC has approved an agreement for approximately \$500,000 in funding to assist those negatively economically impacted by the coronavirus. He stated that homeowners impacted as of March 1st can submit applications to request funding for rent and mortgage payments for up to three months (up to \$1,500 per month). He advised that the County would make payments to the lender or landlord under an agreement that foreclosure action and eviction process would not begin while the County is providing payment. Mr. Schutt explained that only those that can show hardship due to Covid-19 would be eligible. He stated that the information will be provided via the County's website in the near future.

Ms. Kendall asked how much funding is available. Mr. Schutt replied that \$572,000 has been received for the first round of funding and there could be a possible second round of approximately \$200,000 to \$300,000.

Mr. Gilliams asked if the program would include all cities within the County. Mr. Schutt responded affirmatively.

Following brief discussion, Mr. Gilliams stated that the city of Sebastian had distributed its CARES funds within 30 days. Mr. Schutt advised that this program concerns homeowners and renters, who will need various types of written documents, including signed documents from their mortgage company and landlords; therefore, he believes it will take longer than 30 days to expend the funds. Ms. Gilliams asked if the application is only available online. Mr. Schutt stated that it would be an online program. Mr. Brown added that County libraries will be prepared to assist the public with the application process.

Ms. Kendall announced that there is a new housing program that will be administered through Florida Legal Services. She introduced Attorney Iola Mosley who will be assisting and working with the local bar association to get more pro bono attorneys committed to the program.

Ms. Avante suggested that the County work with non-profits to promote these programs. Ms. Kendall added that other non-profits, such as the Veterans Council, have also received Covid-19 funds and CARES act funding that they will also be distributing. Chairwoman Price added that United Way's website has a list of entities that are providing funding to those in need.

8. Adjournment

Being no further business, Chairwoman Price adjourned the meeting. The meeting adjourned at 11:30 a.m.

Next Meeting: October 28, 2020