



CITY OF FORT LAUDERDALE

DRAFT
MEETING MINUTES
CITY OF FORT LAUDERDALE
AFFORDABLE HOUSING ADVISORY COMMITTEE
FIRE STATION #2, 528 NW 2ND STREET
3RD FLOOR CONFERENCE ROOM
FORT LAUDERDALE, FLORIDA 33311
MONDAY, DECEMBER 11, 2023 – 9:00 A.M.

Cumulative

Committee Members	2023 Attendance	Present	Absent
Margi Nothard, Chair	P	10	2
Leann Barber, Vice Chair	P	12	0
Vice Mayor Dr. Pamela Beasley-Pittman	P	12	0
Pablo Calvo (arr. 9:30)	P	5	1
William Condon	A	10	2
Willie McKay	P	5	1
Sister Robin Merrill	P	5	2
Roderick Newkirk	A	1	1
Susan Spragg	P	12	0
Ryan Wipplinger	A	8	4

Staff

Rachel Williams, Housing Manager
Adam Schnell, Urban Planner III, Development Services Department
Carla Blair, Recording Secretary, Prototype, Inc.

Communication to the City Commission

None.

I. ROLL CALL / DETERMINATION OF A QUORUM

Chair Nothard called the meeting to order at 9:00 a.m. Roll was called and it was noted a quorum was present.

Caroline Cozzi, representing Habitat for Humanity of Broward, was present as a guest at the meeting.

II. APPROVAL OF MINUTES – November 13, 2023

Motion made by Ms. Spragg, seconded by Ms. McKay, to approve. In a voice vote, the **motion** passed unanimously.

III. OLD BUSINESS

- **Affordable Housing Trust Fund Update**

Ms. Williams reported that the last \$600,000 in the Affordable Housing Trust Fund was used to fund a project in FAT Village which will create at least 50 affordable housing units. The balance is currently \$0, but over the next few months new funding is expected to come into the Trust Fund.

- **Habitat Update**

Caroline Cozzi, representing Habitat for Humanity of Broward, stated that there are no material updates at this time.

- **2024 AHAC Meeting Dates**

Ms. Williams distributed a list of the 2024 Affordable Housing Advisory Committee (AHAC) meeting dates to the members.

IV. NEW BUSINESS

- **New Ad Valorem Tax Reimbursement Program to support affordable housing – presentation by Adam Schnell, Urban Planner III, and Al Battle, Deputy Director, Development Services**

Adam Schnell, Urban Planner III, representing the Development Services Department, showed a PowerPoint presentation, explaining that in order to support affordable housing, a multi-pronged approach is necessary in both zoning and financial incentives. Over the last five years, the City has adopted several zoning incentives, including density bonuses, height increases, parking reductions, and expedited review. Policies have also been adopted to support affordable housing in the Northwest and Southwest Regional Activity Centers (RACs) as well as in the Downtown area and several specific corridors, including these zoning incentives among other approaches.

The City also provides financial incentives, including use of the Affordable Housing Trust Fund, use of municipal lands, Community Redevelopment Agency (CRA) funds, and most recently, a tax incentive policy adopted in October 2023.

A new revenue stream has been identified to contribute to the Affordable Housing Trust Fund. This is known as Policy 2.16.4 or the Geller Amendment. It is an option which has been adopted by the City in order to bring in additional affordable residential units in the RACs and mixed-use corridors. Developers must set aside a portion of these units as affordable or may “buy out” of this requirement by making a payment in lieu that goes into the Trust Fund.

If municipal units are used, 100% of the payment in lieu goes into the Trust Fund; if County units are used, the payment in lieu revenue is divided 50/50 with Broward County. Payment in lieu funds will increase at an annual rate of 3% once a building

permit has been issued. As other projects are approved, they are also expected to either provide additional affordable units or make payments in lieu into the Affordable Housing Trust Fund.

As most CRAs are scheduled to sunset, some of their funds will go back to the County; however, there is significant support to give these funds back to the municipalities in support of affordable housing. Mr. Schnell advised that he did not have specific information on the return of these funds.

Chair Nothard asked for the current restrictions on the use of CRA funds. Mr. Schnell replied that the City and County have both provided tax reimbursement funds within a CRA to support affordable development. CRA funds are provided on a case-by-case basis.

Chair Nothard asked if payments in lieu are strictly dedicated to affordable housing or can be used for other purposes. Mr. Schnell stated that 100% of payment in lieu funds must go into the Trust Fund for use toward affordable housing. He was not aware of any impediments that would restrict Trust Fund dollars from being used in this way.

Ms. Williams clarified that there is guidance for the use of Affordable Housing Trust Fund which will require an update, as it does not currently provide for specific oversight of the Trust Fund, including how these monies will be spent. Mr. Schnell noted that these funds should fall under the AHAC's purview.

Ms. Spragg asked if there is a way to track development proposals that are currently in the pipeline in order to estimate what they might contribute to the Trust Fund. Mr. Schnell replied that his office tracks proposals for projects on primary corridors, including state roadways and County arterials as well as the Downtown area and the RACs. All projects in these areas would require the distribution of County-based units, as there are no Downtown units or Southwest RAC units remaining in the City. Approximately 3000 units remain within the Northwest RAC. All developments in these areas would be required to either set aside a number of affordable units or make a payment in lieu.

Mr. Schnell emphasized that the location of a proposed development matters, as cost is a determining factor for developers in deciding whether to provide affordable units or make a payment in lieu. He added that developers typically seek to pair incentive funds with height and/or density bonuses in order to offset costs.

Sister Merrill commented that she did not consider units for households earning up to 120% of median family income (MFI) to truly be affordable housing, and asked if there will be any guarantee that future dollars or units would serve households with lower incomes. Ms. Williams explained that policy guidelines can be established to determine what percentage of Affordable Housing Trust Fund dollars, or what percentage of the

market, the Committee wishes to focus on. She emphasized the importance of revisiting these policies to ensure that they serve the needs of the community.

Mr. Schnell advised that there are other projects within the Northwest RAC which target households earning up to 100% of MFI. He agreed that it is best to have a wide distribution of income levels to support the provision of affordable units. The intent of many workforce housing regulations is to focus on households that are not assisted by existing state or federal programs.

Mr. Schnell continued that if units are constructed under the Geller Amendment, there is policy in place which permits the provision of a range of income levels from 50% to 120% of MFI. This policy does not require developers to build units to serve a specific income level, but gives them options of building to these levels. The incentives are greater if the developer chooses to provide units for households with lower income levels.

Vice Chair Barber asked if the City uses forecasting models to show how many units they expect or want to be able to fund through the Geller Amendment. She expressed concern that there may not be sufficient focus on households with low to very low incomes. Mr. Schnell replied that most of the existing policies focus on households earning between 80% and 120% of MFI. While there are some overlapping County policies that may bring this focus to households earning 50% of MFI, there is nothing requiring developers to build units for specific income levels.

Vice Chair Barber asked if any data has been generated regarding the potential impact of the Geller Amendment on affordable housing. Mr. Schnell pointed out that because housing within the Downtown area is more expensive, this area is likely to provide units for households earning 100% to 120% of MFI, while units in the RACs or corridors are more likely to target households with lower incomes. He reiterated that most policies address a range of income levels from very low through moderate incomes.

Mr. Schnell added that there has not been a significant amount of development at the 100% to 120% MFI levels. Most of the affordable housing available in the City is for low and very low income-level households. There are just over 6000 affordable units in Fort Lauderdale, of which none have historically served workforce housing. One reason the City has a goal of creating more workforce housing is because the cost of living has increased for all residents. They also hope to stabilize households that are in danger of losing their access to housing.

Mr. Schnell continued that another consideration is the appetite within the development community, as well as the need to take an amicable approach to establishing affordable housing policies. He concluded that it is important to build all types of affordable housing.

Vice Chair Barber observed that it would be useful to determine where there is the greatest need for affordable housing in Fort Lauderdale. Mr. Schnell replied that analysis shows that the City's lower-income demographics are generally in the 50% MFI range.

Vice Mayor Dr. Beasley-Pittman commented that Monroe County has written a perpetuity clause into its agreements for new development, and asked if there has been consideration of this in Fort Lauderdale. This clause would ensure the preservation of affordable housing during the life of the building. Mr. Schnell replied that the City's time frame for affordable units is 30 years, adding that some buildings have built affordable units in perpetuity in the past. The City is, however, moving away from this language, as it is less palatable to banks and investors. It can also be very difficult to convince for-profit developers to agree to perpetuity language, which means this language could be reserved for use in not-for-profit construction.

Chair Nothard noted that some cities, such as New York City, previously allowed rent control and/or rent stabilization, which allowed workforce and lower-income households to reside in these buildings over the long term. While this affected the developer's bottom line and ability to redevelop, it provided more housing opportunities for working residents.

Mr. Schnell addressed tax reimbursement, which occurs when developers of affordable units are eligible for reimbursement based on the city's annual ad valorem taxes. He noted that this only affects City developments and not Broward County; however, the County is taking similar steps in order to help support the same developments in certain instances. Developments receiving tax reimbursements must demonstrate that they provide a public benefit which is not limited to affordable housing, including location or other amenities that are associated with the project. Depending upon the amount of incentives requested, the City may be able to encourage developers to provide housing for households with lower income levels. The percentage and number of units set aside for affordability and payment terms may also be considerations.

The City is working with Collier's International to establish the underwriting aspect, as this will ensure that the developer needs the money they are requesting in order to make the development perform. The developer's qualifications are also a factor so the City can ensure the development will come to fruition. A developer who has an existing agreement with the federal government would be considered a good risk, as the government has stricter requirements than the City does.

Chair Nothard asked if the tax reimbursement program is limited to projects located in the City's RACs, Downtown, and certain corridors. Mr. Schnell replied that this policy is City-wide. He added that it is intended to be as flexible as possible, and no two developments using this policy have the same specific conditions. Chair Nothard also noted that this policy provides an opportunity for infill housing and other smaller projects.

Sister Merrill requested definition of the term “workforce housing.” Mr. Schnell explained that this is typically used for households earning between 80% and 120% of MFI; however, there is no strict definition, and it can vary from one municipality to another. While the City’s definition extends as high as 120%, the County and state definitions reach as high as 140%.

Mr. Schnell added that household incomes may increase under the City’s policies in order to allow households to become more stable and better-positioned to keep their housing. The intent is not to penalize residents for success. There is a ceiling, however, at which families living in workforce housing would have to pay market rate.

Chair Nothard requested information on the Live Local Act, explaining that the Committee is unclear on the number of Fort Lauderdale projects which may have come forward under this legislation, as well as on potential restrictions. Mr. Schnell advised that the City is still working through a legal interpretation of the Live Local Act, as are many other Florida municipalities.

Mr. Schnell continued that there are both positive and negative externalities associated with the Live Local Act, as well as implications of developing in an area that does not offer the type of density that could be built under that Act. Projects can be built to the maximum height allowed within one mile. To receive this height, 40% of dwelling units in that project would need to be affordable over a 30-year time frame.

Projects can also be built to the greatest residential density permitted within one mile of the development. Mr. Schnell advised that the City’s corridors and Downtown offer unlimited density. Neighborhood compatibility measures must also be considered when these projects abut residential single- and multi-family districts, which have setback and stepback requirements once a project reaches a certain height.

Some developers have expressed interest in building under the Live Local Act, and a number of companies are seeking information on how municipalities have interpreted that Act. Mr. Schnell advised that thus far, only one developer who seemed interested in moving forward has shown an interest in building under the Live Local Act in Fort Lauderdale, but no applications have been submitted at this time.

Chair Nothard requested more information regarding the income restrictions accompanying the Live Local Act. Mr. Schnell replied that these restrictions are higher, as the definition of affordability in State Statutes is higher.

Vice Chair Barber asked if the Development Services Department is looking at affordable housing needs and how to address them. She pointed out that when the Committee met with the City Commission, the Mayor had expressed particular interest in addressing the issue of homelessness, which is a more visible problem. Mr. Schnell stated that from a planning perspective, he is working on the regulations on which the

Commission directs staff to conduct research and propose regulations. This research and policy development constitutes the scope of what he can do as a planner. The key concern is where money is coming from to develop new housing.

Mr. Schnell also confirmed that the issue of homelessness is very different from setting aside affordable units. Homelessness requires moving an individual or family off the street into a shelter or other transitional housing, followed by stabilized low-income housing. This is a different journey than what is undertaken by planners.

Vice Chair Barber advised that she has researched single-room occupancy (SRO) housing, which are being developed in many cities, including Fort Lauderdale. Mr. Schnell stated that these can be good and bad: the development community may begin developing a large percentage of SRO housing, which many residents “grow out of” while relatively young, but a one- or two-bedroom unit may still be financially out of reach for them. While SRO is needed in many communities, it is not productive to be inundated with these units.

Chair Nothard pointed out that many senior citizens may choose SRO housing if they wish to downsize. Chair Nothard noted that senior citizens may also be transitioning away from using cars, which would also decrease their expenses. Mr. Schnell advised that the City’s current SRO housing rents at approximately \$2300/month.

Ms. Spragg recalled that a recent Broward County workshop on affordable housing discussed densification, including the possibility of permitting more liberal densities. Mr. Schnell replied that while he did not have any information on this specific topic, his office continues to look at the modification of zoning regulations needed to address a growing population. Densification is typically centered in areas with significant pedestrian development and access to transit, both of which are found on the City’s major corridors, rather than in single-family neighborhoods, in which densification could be disruptive.

Mr. Schnell also reiterated that there are no density requirements in the Downtown area, where form-based Code exists. The density requirements of other areas, such as some corridors, may be able to increase significantly if affordable housing is developed there. He concluded that market trends are constantly changing and are cyclical in nature.

Ms. Williams asked if Mr. Schnell could provide an overview of the different types of incentives currently available in Fort Lauderdale. Mr. Schnell replied that the City has adopted the Geller Amendment, which is City-wide and provides for the development of units that will remain affordable for 30 years. Other incentives include affordable housing flex units and density bonuses, which allow for the development of a number of units over the density limit if those units are affordable. The Northwest RAC includes height and density incentives, expedited review, and parking reductions for affordable units. Developers may also apply for an additional parking reduction if at least 10% of

their units are set aside as affordable. Mr. Schnell acknowledged, however, that because so many residents have vehicles, it is difficult to reduce parking below one space per unit.

In the South RAC, there is a two-tiered system: height can be increased from 110 ft. to 150 ft., and density can be increased from 50 to 100 dwelling units per acre, if 10% of units are set aside as affordable. The next tier allows for access to an additional 50 dwelling units per acre for every additional 5% of units which are set aside as affordable. This incentive is capped at a maximum of 200 dwelling units per acre, which would be permissible if 20% of units are affordable. Expedited review and parking reductions are also available in this RAC.

The City is working to update its policy in the Uptown area to make it more similar to other RACs. At present, density can be doubled in the Uptown area. There are no additional flex units available in that area, although there is still access to affordable units.

Ms. Williams requested additional information about concierge service. Mr. Schnell explained that in addition to permitting Site Plan Level II approval with the option of call-up review, the City processes affordable housing applications in an expedited manner, with a designated Staff member who ensures that these projects are brought forward in a timely fashion.

- **AHAC Incentive Report Analysis – Rachel Williams, Housing Manager**

Ms. Williams advised that Mr. Schnell assisted with the AHAC Incentive Report analysis, which she provided to the Committee members.

- **Planning for 2024 AHAC Incentive Report**

Ms. Williams stated that the Committee will discuss the incentives Mr. Schnell had reviewed, as well as any new incentives they may wish to add. She will provide the members with a summary of the incentives in today's presentation.

V. GOOD OF THE ORDER

Sister Merrill recalled that she had previously informed the Committee she was giving tours of Broward Village, and had also brought up questions regarding whether or not it would be beneficial to have models of accessory dwelling units (ADUs) at this property. She pointed out that there is a great deal of land at Broward Village which is not needed for parking, and suggested that models of ADUs could be included as an option for affordable housing.

Ms. Williams advised that at present, the City's zoning regulations allow ADUs on larger single-family lots, and there have been preliminary discussions of whether or

not ADUs might be permitted on all single-family lots with adequate space. She did not believe any harm would come from providing demo models of ADUs.

Sister Merrill asked if it might be possible to access funds in the next year to purchase ADUs for this purpose. Ms. Williams replied that unless individuals or families would be housed in those ADUs, the units cannot be purchased as models; however, the City is still working to develop policy regarding the Affordable Housing Trust Fund. She felt if the units will eventually house individuals in need, this might be included the policy.

Chair Nothard recalled that at the November 2023 meeting, there had been several comments requiring action, such as identification of individual Committee members who would like to research particular topics. She encouraged further discussion and identification of these members and topics following the holidays.

VI. NEXT SCHEDULED MEETING DATE – January 8, 2024

The members again addressed the 2024 meeting dates, with Sister Merrill requesting clarification on the option of attending meetings via Zoom. Ms. Williams explained that if a physical quorum is present, those members may vote to allow another member to participate remotely in the meeting. Chair Nothard added that members who would like to attend remotely should provide Staff with at least two weeks' advance notice.

Motion made by Ms. Spragg, seconded by Ms. McKay, to approve the dates from 2024. In a voice vote, the **motion** passed unanimously.

VII. ADJOURNMENT

There being no further business to come before the Committee at this time, the meeting was adjourned at 10:04 a.m.

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