

## **AFFORDABLE HOUSING ADVISORY COMMITTEE**

### **Meeting Minutes**

The Affordable Housing Advisory Committee of Monroe County conducted a meeting on **September 12, 2012** beginning at 10:29 AM at the Marathon Government Center, 2798 Overseas Highway, Marathon, Florida.

#### **AFFORDABLE HOUSING ADVISORY MEMBERS:**

Sylvia Murphy	Present
Sherry Phillips	Absent
Heather Roberts	Absent
James D. Cameron	Present
Randy Wall	Absent
Warren Leamard	Present
Ken Naylor	Present
Morgan Hill	Absent
Ed Swift	Absent
William Wiatt	Present
Jerry Gaddis	Present
Ron Miller	Absent

#### **STAFF**

Christine Hurley, Director, Growth Management	Present
Mitch Harvey, Comprehensive Planning Manager	Present

Mr. Harvey called the roll. Since there was not a quorum, there could no vote on approval of the minutes. Mr. Harvey asked the Committee Members to review the minutes before the next meeting for approval. Mr. Harvey will check with the Committee Members through e-mail to arrange the next meeting date.

Mr. Harvey decided to address Agenda Item Number 4 out of order. Mr. Harvey explained that at the last meeting the Affordable Housing Advisory Committee (AHAC) passed a resolution recommending to the Board of County Commissioners (BOCC) that they express their concerns about the removal of the Florida Keys Set-Aside of Housing Credits. This will appear at the BOCC meeting on September 21, 2012. The public hearing to review the rule-making on this will be October 2, 2012, and then November 2, 2012 is when the Florida Housing Finance Corporation (FHFC) will approve the application process for the next round.

Mr. Harvey reported that he and Mr. Naylor were at the FHFC's workshop in Tampa to express the County's concerns about the set-aside being removed. The feedback was that the County, because of the set-aside, has been taking up all of the small county allocations statewide and the

FHFC wanted to level the playing field. Mr. Naylor added that some small revisions to the rule have been made so that the Keys can at least compete with other small counties. FHFC staff has mentioned to Mr. Naylor they are not seeing the demand and the statistics to justify the set-aside being given to Monroe County. Mr. Hurley commented that objective demand figures were provided to the FHFC by the County. Mr. Harvey assured the Committee members that the resolution that the AHAC passed will be an exhibit as part of the record that will be forwarded to the State. Ms. Hurley stated that the County is looking into attending the FHFC meetings and the County's lobbyist has been contacted with regard to this issue.

Mr. Harvey then reported that he has reviewed all of the resolutions of the Affordable Housing Task Force that are available, as suggested at the prior meeting by Chair Cameron. Chair Cameron interjected that the suggestion was meant just to look for ideas that were discussed in the past by that task force with regards to rental units, which is the greatest need in the County. Mr. Gaddis stated that a new work force housing development at Mile Marker 106 has hundreds of units and is only 20 percent full. Mr. Naylor pointed out that that development has no income restriction on those units and it is not truly affordable housing. Commissioner Murphy spoke of the success of Bluewater Cottages in Tavernier.

Susan Miller, representative of Habitat for Humanity, was present. Ms. Miller stated that Habitat has 24 rental units, 12 on Stock Island that are full, and 12 in Key West that are currently being renovated. Ms. Miller explained that background and credit checks are done on prospective tenants, as well as meeting of income guidelines is assured. The land is owned by the County and Habitat basically acts as the property manager.

Commissioner Murphy commented that the Upper and Lower Keys cannot be treated the same because the work force in these two areas is so different. Much of the work force in the Upper Keys comes in from the Homestead area. Mr. Wiatt cautioned that the more rentals available, the more transient the work force. So meeting the immediate need of more rentals might not lead to a more stable work force. Chair Cameron pointed out that the industry that exists in the Keys is always going to promote a transient work force. Mr. Naylor believes there is a huge gap between a transient worker and somebody ready to buy a house, so that rentals are indeed needed.

Commissioner Murphy believes the County should be encouraging business owners to provide housing on the same property as the business as opposed to expecting the County or municipalities to provide the housing for their work force to live in. Chair Cameron agreed and added that the problem with the for-sale housing market, even the affordable for-sale housing market, is the people who qualify cannot get loans. Nobody is going to build for-sale affordable houses until the economy improves. In the meantime, a work force is still needed. Chair

Cameron believes if this Committee is going to do a good job, all aspects of housing need to be considered, not just rentals, even though that is the County's greatest need.

Mr. Wiatt believes the primary focus should be taking care of the County's own employees, such as the firefighters, deputies and teachers. That is a stable work force, helps the county function, supplies the basic needs, and these are County citizens. If a major resort wants to renovate, relocate or redevelop in the Keys, Mr. Wiatt also believes they should be having this same sort of meeting to address their work force housing. Mr. Wiatt further believes that whatever can be done to help the sons and daughters of the local citizenry of the County afford a home here would go a long way in creating a stable work force.

Mr. Leamard asked Mr. Harvey how many ROGO allocations were banked. Mr. Harvey responded approximately a hundred. Ms. Hurley described projects that have some reservations of those allocations. Ms. Hurley assured Chair Cameron that the County will not convert affordable allocations to market rate allocations.

Ms. Hurley then discussed the flexibility with which the County would work with anybody trying to develop commercial apartments on top of commercial locations. Mr. Gaddis pointed out that there are issues with that, such as terminating an employee who is also a tenant. Ms. Hurley wants to get rid of the "employee housing" definition and just make it commercial apartments so that the work force has the flexibility of working nearby, not necessarily on the same piece of land on which they live. Commissioner Murphy suggested a more generic definition to include those who do not work. Ms. Hurley recommended the term "affordable mixed use rental unit." Mr. Gaddis spoke of the success Remedy's has had in Key Largo with commercial apartments above the business on site. Ms. Gaddis again spoke of the pros and cons of having an employee living on site.

Commissioner Murphy discussed incentives that come with building affordable housing. Ms. Hurley explained for Chair Cameron that an application for a fee waiver is still necessary with an affordable allocation because the Board needs to make the decision to waive it, and when the Board decides to waive the fee for affordable, they need to transfer the money into the building fund. It is more of an accounting safeguard.

Ms. Hurley stated that she would prefer to start discussing any proposed incentives Committee Members may have due to the time constraints the County is under. Chair Cameron found nothing that needed to be changed so far. Mr. Leamard asked for clarification on the zero setback issue. Ms. Hurley explained that, for example, a townhome development with units touching has zero setbacks. It is internal to the site.

Mr. Naylor suggested encouraging new development of rental units above commercial centers by offering an ad valorem tax reduction or waiver for those units. Commissioner Murphy warned against meddling with ad valorem taxes because there is no one in the County to currently administer this. Mr. Naylor then suggested lowering real estate taxes. Mr. Gaddis explained how that could make rental properties nonaffordable. Mr. Hurley described how one incentive may be to let a property owner freeze their value for a certain amount of time. The County's millage rate was then discussed. Ms. Hurley again suggested revising the Land Development Code to encourage the mixed use commercial apartment development and eliminate the employee housing definitions. Ms. Hurley will look into the Remedy's development for ideas.

Mr. Naylor suggested changing the height restriction to 37 feet. Chair Cameron agreed and explained how the development Meridian West was deprived of 50 percent more units because of the height restriction. Ms. Hurley stated the way height is measured has recently been changed. Commissioner Murphy believes allowing a variance on the height restriction for affordable housing would be unfair. Mr. Wiatt believes the public would not accept a variance to the height restriction. Mr. Leamard believes in drawing the line with a hard number to avoid it from creeping up in the future. Mr. Naylor suggested considering the two feet variance as an appropriate tradeoff for lack of affordability.

Mr. Gaddis then questioned the perceived code violations at the Tower of Pizza shopping center in Key Largo.

Mr. Harvey stated that he will check the advertising deadline date as well as room availability and come up with some dates for the next meeting. Chair Cameron asked about the strategy regarding affordable accessory residential units. Mr. Hurley asked Mr. Harvey to review that in consideration with the administrative interpretation.

The Affordable Housing Advisory Committee meeting was adjourned at 11:26 a.m.