

AFFORDABLE HOUSING ADVISORY COMMITTEE MEETING MINUTES

Friday, May 2nd, 2025, at 1:00 PM

CALL TO ORDER by Cheryl Cioffari at 1:03 PM

ROLL CALL

COMMITTEE MEMBERS:

Commissioner Craig Cates	Present
John Brooke	Present
Lauren Dunn	Present
Kurt Lewin	Present
Chris Todd Young	Absent
Tim Root	Absent
Joe Scarpelli	Present
Marv Schindler	Present
Joe Walsh	Present

STAFF:

Cheryl Cioffari, Assistant Director of Planning
Eve Lewis, Assistant County Attorney
Marie Brouillette, Senior Administrator Special Projects, Social Services Department
Tina Boan, Assistant County Administrator

CHANGES TO THE AGENDA

No changes to the agenda.

AGENDA ITEMS:

I. APPROVAL OF MINUTES

Motion: Joe Walsh made a motion to approve March 31, 2025, minutes. Joe Scarpelli seconded the motion. There was no opposition. The motion passed unanimously.

II. PRESENTATION BY SOCIAL SERVICES DEPARTMENT OF MONROE COUNTY DISCUSSION AND RECOMMENDATIONS TO THE LOCAL HOUSING ASSISTANCE PLAN (LHAP):

Marie Brouillette asked the Committee members if they had any comments or questions regarding the charges that were proposed during last month's meeting. Christine Todd Young inquired why Monroe County liens are balloon mortgages, and not forgivable.

a. Updates/additions to the definitions and other features within the Program Details section.

Updates to the Home Buyer Assistance Strategy, including but not limited to raising the maximum award from \$45,000 to \$65,000. This is great for the purchasers, however, 30 years down the road, when the borrowing and earning power is no longer there, it will be a larger amount that will have to repay.

Commissioner Cates suggested lowering it to 10 years instead. Ms. Brouillette mentioned that they have looked at other jurisdictions who offer the same assistance, and the amount would be forgiven on a prorated basis by year of ownership. John Brooke asked why it needed to be forgivable. Ms. Brouillette explained that some Counties consider it a grant. When the program first started, the County received nominal distributions annually, with several years where there were no SHIP (State Housing Initiative Program) distributions. The decision to make the home buyer lien a balloon mortgage, was to ensure the longevity of the program, at that time. Considering current sales prices, homebuyers need as much money as they can get. The County is leveraging with first Mortgages, the City of Key West, Marathon and the Village of Islamorada. The City of Key West has changed their process, and the liens are now forgiven, with the Village of Islamorada and Marathon, forgiving after 10 years. Monroe County carries a 30-year balloon, deferred payments and 0% interest. It will be a hardship for homebuyers to have to repay a \$65,000 or \$85,000 lien maturity. Joe Scarpelli agreed and asked if there is flexibility with the forgiveness term, suggesting 15-years instead of 10 years. Ms. Brouillette reminded the Committee of the shared appreciation on market rate units, that was just adjusted this year. Joe Walsh agreed that the purpose of this program is to keep people in the Keys. It is very common in various affordable housing funding sources to offer forgivable terms.

Eve Lewis reminded the Committee that there are two separate forgiveness timelines. Ms. Lewis explained; if someone wants to sell their property at year 14, they are not going to be forgiven, but as it relates to the principal, they will have no shared appreciation, because they're past the 11th year. However, if they decide to sell at year 10, they will still have the principal due and they will have the 5% shared appreciation due. This applies to open market sales.

Discussion amongst the Committee members continued as to the details of the proposed amendment of the shared appreciation table. Ms. Lewis summarized it as Year 1-5 are at 50% shared appreciation, and then for each year following, it would scale back by 5%, and once you reach year 15, there will be full forgiveness of the principal loan and a zero-percentage shared appreciation.

Motion: John Brooke made a motion to approve the above summarized timeline regarding the shared appreciation scale. Commissioner Cates seconded the motion. There was no opposition. The motion passed unanimously.

Ms. Lewis stated that the second part of this revision would need a motion to fully forgive the principal loan at year 15.

Motion: Joe Walsh made a motion to approve the principal loan at year 15. Commissioner Cates seconded the motion. John Brooke opposed this motion.

Lauren Dunn asked if there will be sufficient funds remaining in the program if we select to forgive the principal at 15 years. Joe Walsh responded by stating the principal is due at maturity, at present (30 years out), or due on sale. It will still be due on sale for the first 15 years. Mr. Walsh stated that at that point, they have "paid their dues" and the County was able to facilitate their housing purchase. Mr. Brooke stated the program is set to facilitate people to purchase and own; however, it appears that the County does not want to set up the ability to help facilitate bringing money back in the County coffers.

Joe Walsh stated that the SHIP program (State housing initiative programs) is implemented by the County's LHAP (Local Housing Assistance Program), which is what the Committee is voting on today. The purpose of the program is to help people to afford housing.

Roll Call: Commissioner Cates: Yes; John Brooke: No; Lauren Dunn: Yes; Joe Scarpelli: Yes; Marv Schindler: Yes; Joe Walsh: Yes; Kurt Lewin: Yes. Motion passed 6 to 1.

The next discussion item is regarding the changes made to the Affordable Rental Construction / Rehabilitation Strategy. Ms. Lewis explained that per the Florida State Single Audit Act – every time there is a State assistance funding opportunity and allocation, the County must follow certain procurement requirements (i.e. when we select recipients under this program). Language has been included to ensure there is legal sufficiency regarding this process.

Ms. Lewis explained the inclusion of the four different selection categories by priority. The first and second priority categories are for applications who meet both the definition of Special Needs and/or Very Low-income; the third priority category will include service personnel, and the fourth priority will be anyone who does not fall into either of the first 3 categories. Ms. Lewis explained the overview and use of the Developer Agreement. This recommendation came from some of the lectures attended from the Florida Housing and Finance Corporation. Developers' Agreements are used for more projects that require a formal RFP (Request for Proposals) or Request for Applications, for a higher amount. In the affordable rental construction rehabilitation program activity, these could have larger dollar awards, in which case, stricter metrics and procurement will have to apply. The Developer Agreement will be executed between the County and the awarded proposer, which outlines the scope of work, amount of the award, how much SHIP funds are to be used for that project, the schedule, timeline, number of units etc.

Mr. Brooke asked why the County formalize the interest rate at such a low rate for for-profit entities. Ms. Brouillette explained that this has never been questioned or brought to the AHAC to change. That interest rate has been in place for years. Monroe County mostly funds not-for-profit developments.

III. Consideration of Draft AHAC Resolution 01-2025 amending the Local Housing Assistance Plan:

The Committee reviewed the draft resolution. Ms. Brouillette pointed out that the LHAP year should reflect years 2026/2027/2028.

Motion: Lauren Dunn made a motion to amend the resolution to reflect the LHAP covering year 2025-2026; 2026-2027 & 2027-2028. Joe Scarpelli seconded. No opposition. Motion passed.

Motion: Kurt Lewin made a motion to approve the resolution as amended with the LHAP as amended in Exhibit A. John Brooke seconded the motion. No objections. Motion passed.

ADJOURNMENT: 2:05 PM