

# **MINUTES**

## **Palm Beach County Commission on Affordable Housing**

### **March 13, 2019**

**100 S. Australian Avenue, 5<sup>th</sup> Floor (Conference Room) and Conference Call  
West Palm Beach, FL 33401**

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#### **Call to Order**

- The meeting was called to order at 3:39 pm.

#### **Roll Call**

- Ms. Sheila Brown called roll.

Present: Len Tylka, Laurel Robinson, Corey O’Gorman, Ezra Krieg

Absent: Joseph Gray, George Adam Campbell, James Houston, Miguel Jose Muniz, Gail Williams

#### **Approval of Agenda**

- Not approved at this meeting

#### **Approval of Minutes**

- Not approved at this meeting

#### **Old Business – None**

- Mr. Serrano stated that although there was no old business on the agenda he wanted to provide a follow-up to the affordable housing incentive recommendations. One of the recommendations was for the County to hire an expeditor to expedite the development approval process for affordable housing projects where Mr. Krieg was present at the BCC meeting and spoke to that need.
- The direction of the Board was for staff to meet with CAH and other industry leaders and find out where the hang-ups are. Should have received an invitation to a workshop at PZB Vista Center March 22, 2019 at 9:00 am. PZB and Land Development will be there to share their processes and to receive input from the community about your experiences with the development approval process and identify needs for improvement.
- Mr. Krieg encouraged everyone even if unable to attend, complete the survey staff sent regarding the workshop to help set the agenda.

#### **New Business – Potential LHAP Strategies**

##### **Member/Staff/Public Discussion (Jenkins-Gaskin / Robinson / Brown / Howard):**

- Ms. Dorina Jenkins-Gaskin presented the CAH with a presentation of the proposed LHAP strategies for r that will be sent to FHFC.
- We can discuss as we go or we can wait for questions or comments towards the end.
- LHAP is due every three years to FHFC and is due on May 2<sup>nd</sup> of the year the plan is due. The plan is to let the State know what we plan to do with the funding for the next (3) three years.
- The proposed disbursement by the Governor for FY 2019/20 is \$13,017,314.
- Is that full Sadowski funding?
- Yes. Sherry was in Tallahassee and she can provide more information.
- Met with the Governor and he is in support for full funding. Met with some Representatives and Senators who have Bills that prohibit sweeping the funds or make it a repayable loan. Met with the House Minority

Leader and the Senate President and there is an initiative to use all or part of the funds for Hurricane Michael victims. There could be that part of the equation. There are other initiatives coming out that will help them so maybe that will happen. Wanted to let you be aware that is the conversation that is happening. This is similar to what happened last year with the Parkland shooting.

- Did anyone point out to them the amount of Federal dollars coming in for the exact same purpose?
- No. There are a number of things happening within the State and Federal Government.
- Proposing eleven (11) strategies for the upcoming LHAP:
  - **Purchase Assistance:** Provide funding to income eligible homebuyers with purchasing a home with or without rehabilitation or construction (see PowerPoint for current and proposed maximum award and the terms).
  - **First Mortgage Loan Assistance Program:** Provide first mortgage loan assistance to income eligible households. Maximum loan amounts based upon affordability guidelines and creditworthiness, based upon established guidelines (see PowerPoint for current and proposed maximum award and the terms).

Member/Staff/Public Discussion (Jenkins-Gaskin / Krieg / Brown / Tylka / Robinson)

- This strategy is keep in the LHAP but no funding has been allocated in years but just in case something comes along within the three (3) years that we want to fund it is in already in the LHAP and we do not have to do an amendment to FHFC. We keep all strategies in and we may fund or we may not.
  - What is the process to determine which strategies to fund?
  - Staff decides which strategies to fund before submitting the LHAP to FHFC. We wait until we receive our actual allocation.
  - Is it a public process, inter-department process once you figure out you have a certain amount and decide which strategies to fund?
  - Internal process based on communication feedback from potential homebuyers, homeowners who need rehab and the development community.
  - Instead of saying nothing and leaving it blank, can you come up with an amount or percentage like 10%? When the money do come, you have a guideline. Trying to find a mathematical way of doing it.
  - Do you really want to divvy the money out into little pieces? Can this body play a role in assisting you?
  - Staff will put together our recommendations and bring it back to you all before we take it to the BCC.
  - The effectiveness of this group is to help share some of the heat.
  - We have to be careful because the ones that may be coming back for funding we do not want to put you all in a position where there is a possible conflict. Keep you covered.
  - Share with how we got to the \$317 number.
  - It is the purchase price limit for Palm Beach County. Every year we receive this number from the Department of Treasury. We try to stay in-line with what they distribute. It may increase or decrease it all depends.
  - Do you take applications for this?
  - Yes
- **Owner Occupied Housing Rehabilitation:** Provide funding to assist income-eligible applicants with addressing substantial rehabilitation to correct code violations or incipient items that will become a code violation, eliminate housing conditions which threaten the life, health or safety of occupants, connect residents to public utilities (see PowerPoint for current and proposed maximum award and the terms).

Member/Staff/Public Discussion (Jenkins-Gaskin / Robinson)

- Are funds available in municipalities as well as unincorporated areas?
- Yes. Except entitlement cities.

- **Owner Occupied Roof Repairs/Replacement:** Provide funds to address deteriorated roofing systems to eliminate substandard or unsafe roofing conditions. Assist homeowners who are at risk of homeowner's insurance policy cancellation or non-renewal for their sub-standard/deficient roofs. (see PowerPoint for current and proposed maximum award and the terms).
- **Owner Occupied Utility Connection:** Provide funding to assist with sewer and water connection system fees required by local water utilities and cost to install service lines from the meter to the primary residence. (see PowerPoint for current and proposed maximum award and the terms).
- **Emergency Repairs** Funding to assist income eligible owner occupied residences to address emergency conditions such as roofing, electrical, plumbing, or structural repairs. Funds may also be awarded to pay insurance deductibles for any emergency repairs covered by the homeowners' policy (see PowerPoint for current and proposed maximum award and the terms).

Member/Staff/Public Discussion (Jenkins-Gaskin / Robinson / Howard / Brown)

- Can you combine that with the other roof?
  - Something happened a few years ago where we had to separate the two. If you are working on just the roof, you have to focus on the roof.
  - It had something to do with the hurricane.
  - Depending on how extent the repairs are, it might convert into owner occupied rehab.
- **Replacement Housing:** Funds will assist homeowners residing in dilapidated structures that are beyond rehabilitation to include but limited to demolition, construction cost, relocation cost or rent (see PowerPoint for current and proposed maximum award and the terms).

Member/Staff/Public Discussion (Jenkins-Gaskin / Robinson / Brown / Serrano)

- Do you find many people living in places that need to be torn down? Just an indication of the volume.
  - Yes. We are actually exploring six or seven in the Glades community. The problem is the cost of traditional replacement is high. Looking at the potential for alternatives. i.e. tilt wall, container housing, modular homes as a more affordable tool.
  - Also encountered in the Glades is the housing value may be so low that the cost to rehab is more than the fair market value.
- **Disaster/Post Disaster/Mitigation/Recovery:** Funding will assist income eligible applicants in need of home repairs directly caused by a disaster that is declared by Executive Order of the United States President or the Governor of the State of Florida (see PowerPoint for current and proposed maximum award and the terms).

Member/Staff/Public Discussion (Jenkins-Gaskin / Tylka / Brown)

- Funding for this program comes from Program Income or previous funding.
  - Do these programs have funding tied to them?
  - Yes, sometimes they will allocate money just for disasters then we would utilize that funding instead of SHIP funding.
  - By the time those monies come out we are three quarters of the year gone.
- **Foreclosure Prevention:** Funding will assist delinquent mortgage payments (PITI), including late fees, attorney's fees, homeowners' association payments, special assessments, other foreclosure-associated costs (see PowerPoint for current and proposed maximum award and the terms).

Member/Staff/Public Discussion (Jenkins-Gaskin / Krieg / Brown / Howard / Brandt / Gadson / Tylka / Robinson / Serrano)

- Overwhelming response from this program and there is a need

- Sometimes the delinquent amount is more than what our program allows so the homeowners have to bring money to the table.
  - Is there a restriction with this program of one time only?
  - Yes and there has to be a reason why they are delinquent.
  - Is there a pattern you are seeing? In the recession, people were losing their jobs etc. Surprising you have that many now.
  - People are still losing their jobs or not making what they use to make. Also a lot of elderly.
  - Do you find this is a trend in elderly housing?
  - No, we do have some elderly but it is mostly the HOA with the elderly. They may be current on the mortgage but not on the HOA.
  - What happened to the Hardest Hit Funds?
  - That funding was operated through non-profits.
  - It has not been funded for a while. Just not available for Palm Beach County.
  - It was five Counties funded Hillsborough and others.
  - That program was specifically for people who became unemployed, under employed as long as they were current on their mortgage.
  - We would make sure the applicants are aware of that before they come to us.
  - Indiantown non-for-profit organization was doing hardest hit in this geographical area that included Palm Beach County.
  - We will look into it and be able to refer some of the interested parties.
  - The Hardest Hit changed into a down payment assistance program through Florida Housing single family program for the last six or seven years.
  - Very concerned about the elderly going into foreclosure because of HOA fees. Did anyone on the Board take a look at this? This is a political issue. Real serious issue that can be taken to the legislative priority.
  - We have not raised that issue to the level of the BCC yet but that will be some discussion. We would have to go back and look at the numbers and see the percentage of elderly and HOA fees.
- **Developer Assistance Rental Housing:** Funding will provide assistance to developers and owners of affordable rental housing to construct or rehabilitate affordable rental units and occupied by income eligible families (see PowerPoint for current and proposed maximum award and the terms).

Member/Staff/Public Discussion (Jenkins-Gaskin / Serrano / Tylka)

- Suggest we increase the per unit subsidy amount because the per unit development cost for a multi-family project is \$200,000 a unit. Although we are a small portion of the budget, there may be small projects who are looking for 25% of the overall development cost. If we are at \$40,000 a unit and the average development cost is \$200,000 that is only 20% of the budget.
  - Part of the approval at FHFC is you had the local government participation.
- **Single Family New Construction:** Funding awarded to contractors, Non-Profits and For-profit housing developers to construct affordable single-family units for eligible first time homebuyers. Funds can be used for acquisition, soft costs, site development, infrastructure improvements, demolition, construction and other eligible construction related costs (see PowerPoint for current and proposed maximum award and the terms).

Member/Staff/Public Discussion (Jenkins-Gaskin / Tylka / Brown / Krieg / O’Gorman)

- Is this to fund 140 and below?
- Yes
- This is one of the ones where you will have terms for the developer and a separate term for the homebuyer and the affordability period.
- How much are you funding this?
- We added the strategy so when we receive funding we could possibly fund the program.

- Once we receive funds, we have to be able to spend it. What you doing is smart. You give yourself a whole lot of options so we can get rid of the funding.
  - If it is not in the LHAP then you cannot fund it but if it is in there you do not have to fund it.
  - Correct
- **Default/Recapture** (see PowerPoint for current and proposed maximum award and the terms).

Member/Staff/Public Discussion (Jenkins-Gaskin / Tylka / Serrano / Krieg / Robinson)

- Is anyone monitoring this?
- Yes we monitor annually
- If the property is sold, there should be a lien recorded and that would be a trigger.
- That is the mechanism were if the seller tries to sell without advising us. There is annual monitoring. The owner is contacted, sign an affidavit and get a current utility bill.
- Does this apply for all of these strategies? Say I get a new roof.
- Yes because we still have a lien on the property.
- Annual income limits normally change around April or May. Files are approved under the 2018 Area Median Family Income.

Member/Staff/Public Comment (Jenkins-Gaskin / Robinson / Brown)

- Going back to the Purchase assistance program and the \$100,000 I have to question, is it good housing policy when we do have someone under the Section 8 homeownership program to provide funding and people pay so low of a mortgage?
- We will not provide more assistance than the first mortgage.
- One program not listed and administered by Community Services is the Rental Entry Housing Assistance program where we provide the funding for first, last and security deposits.
- For technicality, will that be filed with the LHAP?
- Yes.

**Next Meeting Date**

TBD

**Adjournment**

The meeting adjourned at 4:20 pm.

**Attachments**