City of Pensacola

Affordable Housing Advisory Committee

Agenda

City of Pensacola
222 W. Main Street
Pensacola, FL 32502

April 2, 2024, 9:00 AM | **Vince Whibbs Conference Room, 1st Floor, City Hall**

The meeting can be watched via live stream at cityofpensacola.com/video.

CALL TO ORDER

ROLL CALL

PROOF OF PUBLICATION

APPROVAL OF MINUTES

1. 24-347 APPROVAL OF MINUTES: REGULAR MEETING DATED FEBRUARY 6, 2024

Attachments: *2024.02.06_AHAC Meeting Minutes*

2. 24-348 APPROVAL OF NOTES: REGULAR MEETING DATED MARCH 5, 2024

Recommendation:

Sponsors:

Attachments: *2024.03.05_AHAC Meeting Notes*

PRESENTATIONS

ACTION ITEMS

DISCUSSION ITEMS

3. 24-352 LHAP HOMEBUYER STRATEGIES

Recommendation:

Sponsors:

Attachments: *_2022-25 LHAP excerpt_homebuyer strategies*

4. 24-353 **LHAP OWNER OCCUPIED REHABILITATION STRATEGY**

MODIFICATION

Recommendation:

Sponsors:

Attachments: *None*

PUBLIC COMMENT

ANNOUNCEMENT/WRITTEN COMMUNICATION

ADJOURNMENT

The City of Pensacola adheres to the Americans with Disabilities Act and will make reasonable accommodations for access to city services, programs, and activities. Please call 850-436-5640 (or TDD 850-435-1666) for further information. Requests must be made at least 48 hours in advance of the event in order to allow the city time to provide the requested services.

ESCAMBIA-PENSACOLA AFFORDABLE HOUSING ADVISORY COMMITTEE

MEETING MINUTES

February 6, 2024

The Escambia-Pensacola Affordable Housing Advisory Committee (AHAC) held a regularly scheduled monthly meeting in the Vince Whibbs Conference Room of Pensacola City Hall, 222 West Main Street, Pensacola, Florida on February 6, 2024 at 9:00 AM.

Committee members present: Ed Brown, Deborah Mays, Brenton Goodman, Crystal Scott, Paul Ritz, Laura Gilmore, Maya Moss, and Lauren Green

Committee members absent: Renee Wilhoit, County Commissioner Lumon May, and City Councilman Delarian Wiggins

Staff members present: Meredith Reeves, City of Pensacola Housing Department, Tracy Pickens, City of Pensacola Housing Department, and Garett Griffin, Escambia County Neighborhood Enterprise Division, Clara Long, Escambia County Neighborhood and Human Services, Christi Hankins, Escambia County Attorney's Office, Audrey Washington, Escambia County District 3 Office

Call to Order, Welcome, and Roll Call

Chairwoman Crystal Scott called the meeting to order at 9:00 am recognizing that there was a quorum and then asked everyone in the room to introduce themselves. Proof of publication was noted by the City and County staff.

Meeting Minutes from November's Public Hearing meeting were then reviewed by the Committee and a motion was made by Ed Brown to approve them as written. Deborah Mays seconded this motion, and it was then passed unanimously. Meeting Minutes from November's AHAC meeting were then reviewed by the Committee and a motion was made by Laura Gilmore to approve them as written. Ed Brown seconded this motion, and it was then passed unanimously.

Special Guest: Christi Hankins

Chairwoman Crystal Scott introduced Christi Hankins, Escambia County Assistant Attorney with the Escambia County Attorney's Office to the group. Christi Hankins conducted a thorough presentation on the Florida Sunshine Law.

After Christi's presentation, Brenton Goodman asked for clarification on the language present in Sunshine Law related to whom exactly may be spoken with on topics that may be coming before the Committee. Christi responded by clarifying that members should proceed with caution engaging citizens and should reframe from speaking with any member of the Committee outside of a publicly advertised meeting. Further inquiry was made as to the logistics of who may speak at a County Commission or a City Council meeting since there is an Elected Official from each represented entity on the Committee. Christi advised that she would look into this further and recommended the Committee review their Bylaws as the topic may be addressed within.

A private citizen inquired about the process of the AHAC Incentive Report going before the Board for approval. This citizen asked why the staff recommendation on the agenda was to accept and submit the report as prepared rather than the document being discussed further at the Board Meeting. Paul Ritz clarified that the AHAC operates in an advisory capacity only and that the Board of County Commissioners have the option to accept, reject, or accept with modifications the Incentive Report that is created. It was further clarified that the meeting in question had an accompanying Agenda Review the morning of and that all public meetings from both entities allow citizens to sign up to speak on any agenda item they wish to speak on.

Old Business

The first item under Old Business was for the County and the City to give an update on last year's accomplishments. Garett Griffin begun by giving an update and overview of County housing accomplishments for the year 2023; some of those include:

- 48 substantial rehabilitation projects completed totaling over $1,250,000
- Via partnership with the City, $525,000 in purchase assistance provided to 41 families
- CDBG Infrastructure projects valued at over $1,150,000 completed
- $800,000 in demo and replacement projects currently under contract
- $3,400,000 in Infill housing under contract throughout the community
- Introduction of the permanent Wheelchair Ramp and Accessibility Program
- Introduction of the Emergency Rehabilitation Program

Meredith Reeves reported on some of the City's housing accomplishments, some of which include:

- Expedited Permitting process review
- Updates to surplus property list
- Rent and mortgage assistance program – 24 households assisted under rent and 9 assisted under mortgage assistance program
- 12 substantial rehabs completed with several additional projects under construction
- $642,000 of ARPA leveraged to assist local organizations with homelessness

New Business

The first item under New Business was the election of a new Chair and Vice-Chairperson.
Laura Gilmore complimented the existing leadership, but acknowledged that if Chairwoman Crystal Scott didn't wish to continue as Chair, she would nominate Ed Brown as Chair. Chairwoman Scott expressed interest in keeping her seat for the next year. Paul Ritz made a motion to keep Chairwoman Scott on as Chair which was then seconded by Ed Brown and next passed unanimously. Laura made a motion for Paul to remain in the Vice-Chair position which was seconded by Ed Brown and then passed unanimously.

Public Comment

John Ellis, a local real Estate broker, introduced himself and his interest, from the private sector perspective, in affordable housing. John mentioned that he has purchased a building with the intention of creating affordable housing in the area and would like to engage the Committee on possible solutions for private sector involvement and incentivization. Chairwoman Scott invited John back to a future meeting and asked that some ideas be sent to Meredith Reeves to be put on the next meeting's agenda. Meredith clarified that these suggestions should be broadened to overall small-scale development/developer incentives and may include conversations around the 'missing middle.'

Announcements
Chairwoman Crystal Scott reminded members that the next meeting will take place March 5th, 2024 at 9:00 a.m. in the Vince Whibbs Conference Room at City Hall.

Adjournment:
There being no further speakers, Chairwoman Crystal Scott adjourned the meeting at 10:15 a.m.

Submitted by Garett Griffin

ESCAMBIA-PENSACOLA AFFORDABLE HOUSING ADVISORY COMMITTEE

DISCUSSION NOTES

March 5, 2024

The Escambia-Pensacola Affordable Housing Advisory Committee (AHAC) held a regularly scheduled monthly meeting in the Vince Whibbs Conference Room of Pensacola City Hall, 222 West Main Street, Pensacola, Florida on March 5, 2024 at 9:00 AM.

Committee members present: Ed Brown, Deborah Mays, Crystal Scott, Laura Gilmore, and Lauren Green

Committee members absent: Renee Wilhoit, County Commissioner Lumon May, City Councilman Delarian Wiggins, Brenton Goodman, Maya Moss, and Paul Ritz

Staff members present: Meredith Reeves, City of Pensacola Housing Department, Tracy Pickens, City of Pensacola Housing Department, and Garett Griffin, Escambia County Neighborhood Enterprise Division, Clara Long, Escambia County Neighborhood and Human Services, and Audrey Washington, Escambia County District 3 Office

Call to Order, Welcome, and Roll Call
Chairwoman Crystal Scott called the meeting to order at 9:00 am recognizing that there was not a quorum and then asked everyone in the room to introduce themselves. Proof of publication was noted by the City and County staff. It was noted that Brenton Goodman, Paul Ritz, Maya Moss, and Commissioner May requested that their absences be excused.

Meredith Reeves noted that the City Legal Team was looking into the possibility of members being able to join remotely and count towards quorum. It was acknowledged that this was allowed during Covid-19 when we were under a State of Emergency.

Discussion
The first item of discussion was the Local Housing Assistance Plan (LHAP.) Meredith Reeves went over the purpose of the LHAP for the Committee members. She explained that the LHAP contains several policies, guidelines, and funding strategies that dictate how the County/City may utilize their funding. Meredith mentioned that this next LHAP is not due until May of 2025, but given the amount of preparation needed, County/City staff agreed to begin work proactively. To focus discussion, staff would be breaking down the LHAP by strategies for several subsequent applicable meetings. For example, this meeting would focus on rehabilitation activities.

As discussion began, Chairwoman Scott asked for the breakdown of set asides that the funding must follow. Staff explained that there were the following set asides for SHIP funding:

- 65% of funding must go towards homeownership
- 75% of funding must go towards construction/rehab
- 20% of funding must go towards household with special needs
- No more than 30% may be spend on households with moderate income
- 25% of funding may be spent on rental activities

Ed Brown asked for an update to be provided for the income limits for AMI and for updated Goals Charts to be provided. Garett Griffin clarified that the Goals Chart were not representative of actual expenditures—that information can be found in each years accompanying Annual Report—but rather representative of the plan to spend funding that staff must compile at the onset of every new LHAP or Technical Revision. Garett offered to provide those updated Goals Charts and Annual Report at the next meeting.

Laura Gilmore asked what gaps staff have identified in the current LHAP that would need to be addressed to ensure a more comprehensive program. Garett Griffin relayed a recent effort by staff to update the existing LHAP via technical revision that would increase the maximum amount of assistance eligible to $75,000 from $50,000. This was in an effort to mitigate against rising costs of labor and materials that are making it difficult to wholistically assist a household with all code and safety related issues. Meredith Reeves mentioned from the City's perspective, they try to keep SHIP funds at the same maximum level of assistance as their other grants and often utilize it for more minor repair jobs. Meredith further commented on the lien structure outlined in the LHAP with the emergency rehabilitation vs. regular rehabilitation. Garett explained that the emergency lien would be in place for a five-year period and would assist with repairs falling into the emergency rehabilitation category. Homeowners needing further assistance may be placed on, or remain on, the regular waiting list until their name comes up. From there, whatever undepreciated amount of funding will be subtracted from the full rehabilitation amount and the original lien satisfied.

Ed Brown asked if assistance provided under the rehabilitation program was limited to homeowners that owned their home outright. Meredith Reeves clarified that owning the home outright was not necessary to qualify for the program. Meredith further clarified that there are actually two rehab strategies, a general rehabilitation and a demo and reconstruction strategy. Chairwoman Scott asked if the demo and reconstruction strategy was currently active. Garett Griffin stated that the strategy was currently active with four projects already under construction with three additional under architectural review. Meredith stated that the City currently has three projects under construction and further clarified that this strategy typically serves as the HOME match component of HOME replacement houses. This is a practice both local governments follow.

Lauren Green asked for clarification on the lien process for rehabilitation and demo and reconstruction projects. Several members discussed how this process was necessary and served to ensure homeowners not take advantage of the programs by selling or renting the homes after the work is completed. Meredith Reeves stated that there are many local governments that require payment back to the local government through low interest loan programs, ect. Chairwoman Scott mentioned that she would like to explore the possibility of a loan repayment program for these funds. Laura Gilmore acknowledged that this was done away with in the past because of limited staff capacity by both local governments to manage and track these payments. Garett explained that, from a county perspective, there would have to be the involvement and coordination of multiple Departments and this process would be too cumbersome to administer effectively. Laura mentioned that, from a lender perspective, members of the public purchasing homes are already tapped out on the debt-to-income ratio and this practice may further put them at a disadvantage when purchasing.

Meredith Reeves mentioned that there may be a need to further define the emergency rehabilitation definition to possibly include HVAC repair/replacement as an eligible activity. Garett Griffin mentioned that HVAC systems are acknowledged as an eligible activity under Florida Housing guidance, but he had some staffing concerns if this were to be included given the abundance of folks needing this assistance. Garett mentioned that the Committee may want to look at defining who would be eligible for this assistance. Chairwoman Scott asked that members be thinking about the possible criteria for discussion at the next scheduled meeting.

Ed Brown asked the group if they should consider making the lien period longer for rehabilitation jobs. Laura Gilmore asked if we should consider making all the liens 15 years across the Board. Garett Griffin outlined concern that 15 years may be too long given that these programs are often the only hope for low-income citizens to get assistance with home repairs. Furthermore, with insurance companies often requesting that their clients get new roofs every 10-15 years, such a ruling may be those citizens at risk of foreclosure/homelessness.

Public Comment
Josh Newby with Council on Aging spoke regarding the difficulties of housing aging individuals in the community. Josh spoke on the need for revisions in the Incentive Plan, specifically Incentives E and J. Josh outlined the need for ADU for aging adults and surplus county-owned property to be utilized for those folks as well. Laura Gilmore acknowledged that for the Committee to have further conversation on the topic, it may be best if the Committee was posed with an example that met FL Build Code rather than a tiny home classified as an RV. Chairwoman Scott asked if County Staff could invite someone from Planning and Zoning to attend a future meeting to address these incentives directly.

Announcements
Chairwoman Crystal Scott reminded members that the next meeting will take place April 2nd, 2024 at 9:00 a.m. in the Vince Whibbs Conference Room at City Hall.

Adjournment:
There being no further speakers, Chairwoman Crystal Scott adjourned the meeting at 10:05 a.m.

Submitted by Garett Griffin

Section II. LHAP Strategies:

A. PURCHASE ASSISTANCE	Code: 2

a. Summary: SHIP funds will be made available to support down payment, gap financing, and closing costs for the purchase of an existing or newly constructed home for first time homebuyers. Assistance shall be tailored to the individual affordability and financing needs of the participating homebuyer. Permanent first mortgage financing (exceeding the SHIP Purchase Assistance) will be provided through financial institutions, homebuyer programs and/or private developers/contractors without local guarantee, thereby leveraging a significant volume of private sector financing.

b. Fiscal Years Covered: 2022-2023, 2023-2024, 2024-2025

c. Income Categories to be served: Very Low, Low, and Moderate

d. Maximum award: $20,000 Moderate
$32,500 Low
$45,000 Very Low

e. Terms:
1. Repayment loan/deferred loan/grant: Deferred Payment Loan secured by Second Mortgage and Note
2. Interest Rate: 0%
3. Years in loan term: 10 years
4. Forgiveness: 10-year forgiven at 10% per year, provided that the homebuyer is not in default of program terms
5. Repayment: None required as long as the loan is in good standing
6. Default: The sale, refinancing, transfer of ownership, foreclosure by the primary lender, or when the property is no longer the principal residence during the mortgage term shall be considered a default whereupon the SHIP investment shall be repaid. In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.

f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified, first served basis following annual advertisement of the availability of SHIP resources. Priority given first to Very Low followed by Low income to applicants in accordance with program funding distribution percentage requirements.

Homebuyer must meet the following qualifications:
1. qualify for a first mortgage through a participating first mortgage lender;
2. complete a HUD certified pre-purchase homebuyer education class within the 12 months prior to closing;
3. contribute toward the purchase of the home, a minimum of $1,000 for Moderate Income buyers, $750 for Low Income buyers, and $500 for Very Low-Income buyers (this amount can include documented expenses paid outside of closing);
4. complete a foreclosure prevention class
5. hold less than $25,000 in liquid assets; and

6. meet the criteria for a first-time homebuyer

g. Sponsor Selection Criteria: Not Applicable

h. Additional Information:
1. The first-time homebuyer requirement will be waived in cases where the applicant meets the definition of “essential service personnel” as provided in Section I (T) of this plan.
2. Certified Home Inspection is required. Cost of home inspection will be applied to borrower’s minimum contribution.
3. Maximum sales price of the home cannot exceed the FHFC published maximum sales price for Escambia County
4. Rehabilitation, if required, will be paid from non-SHIP funds.
5. Mobile/manufactured homes are not eligible.

B. DEMOLITION / RECONSTRUCTION	Code: 4

a. Summary: Funds under this strategy are provided for the rehabilitation or reconstruction of severely substandard (more than 50% of value of home to repair) owner-occupied single-family units. These units are unable to be addressed through other Consortium repair programs and will be brought up to code through this strategy and will be referred through the housing inspection process or code enforcement.

The size and specifications of the replacement house will be determined by County or, when applicable, City staff. Decisions will be guided by what is minimally required by the family size and composition. If the existing structure/site is determined to need special treatment, extensive site prep, or if the new structure requires additional accessibility features, the County may allocate an additional $15,000 to offset these costs. This amount will be included in the loan associated with the property and carry the corresponding terms.

b. Fiscal Years Covered: 2022-2023, 2023-2024, 2024-2025

c. Income Categories to be served: Very Low and Low

d. Maximum award: $ 215,000

e. Terms:
1. Repayment loan/deferred loan/grant: Deferred Payment Loan secured by Mortgage and Note. Loan will be in a subordinate position to HOME program financing if present (or other associated County/City financing as available).
2. Interest Rate: 0%
3. Years in loan term: 15 years
4. Forgiveness: Loan forgiven at 10% per year beginning in year six, provided that the homeowner is not in default of program terms.
5. Repayment: None required as long as the loan is in good standing.

e. Terms:

1. Repayment loan/deferred loan/grant: Deferred Loan or Grant, depending on the proposed project. Loan secured by Mortgage and Note or Lien Agreement. Loan will be in a subordinate position to HOME program
   financing (or other associated County/City financing as available). Grant only for accessibility program and limited to $10,000 or less.
2. Interest Rate: 0%
3. Years in loan term: awards under emergency assistance: 5 years; awards up to $75,000: 10 years;
4. Forgiveness: five-year term loan forgiven at 20% per year, 10-year term loan forgiveness at 10% per year, provided that the home owner is not in default of program terms.
5. Repayment: None required as long as the loan is in good standing.
6. Default: The sale, rental, refinancing, or transfer of ownership during the mortgage term shall be a default whereupon the SHIP investment shall be repaid. In the event of the death of an owner, an income eligible heir (at or below 80% AMI) may assume the balance of the loan terms if certified income eligible by County or City staff.

f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified/first served basis following advertisement of the availability of SHIP resources and/or through the use of a waiting list. Applicants must be owner occupants with homestead exemption, property taxes current, and with no outstanding liens or judgments owed to the County or City. Priority may be given to special needs households or applicants with open local government code enforcement citations or survivors of a disaster as declared by local, state, or federal officials.

Households that qualify and are assisted under emergency rehabilitation may remain/be placed on the waiting list for full rehabilitation when applicable. At the time the household is assisted, the undepreciated value of their emergency rehabilitation loan must be subtracted from the eligible award amount. This new loan and accompanying retention document(s) shall take place of the existing program's retention document(s). When applicable, a satisfaction shall be filed in the Escambia County Official Records for the emergency rehabilitation retention document(s).

g. Sponsor Selection Criteria: Not Applicable

h. Additional Information: None

D. NEW CONSTRUCTION	Code: 10

a. Summary: Following local procurement policy, Escambia County will advertise new construction home projects to local non-profit and for-profit developers and General Contractors. Eligible activities for this strategy may include land acquisition, site development, or new home construction.

Eligible costs will include infrastructure expenses typically paid by the developer including, but not limited to, streets, roadways, parking areas, sidewalks, pathways, walkways, storm-drainage systems, sanitary sewer systems, water supply systems, water mains, connections, hydrants, meters, utility hookups and utility easements for telephone, cable, electric lines, and rights-of-way, and street lighting. Infrastructure expenses must be on-site and must be directly related to the housing being assisted with SHIP funds.

SHIP may pay for all soft costs associated with the development including, but not limited to, preliminary and Final Plat Review, Engineering Service Charges, Recording Fees, Site Plan Review Fees, Minor Review Fees, Surface Water License, Permit to Construct in Right-of-Way, Sewer and Water Installation Fee, Sewer and Water Plan Review, Wastewater License, Building Permits, Road Construction Agreement Review, Traffic Study/Action Plan Review, Environmental Impact Review, Surface Water Permit, Land Use Amendment Review, Septic Tank Permit, and Well Permit, Payment of Impact Fees.

SHIP may pay for hard costs typically or customarily treated as construction costs by institutional lenders or any other reasonable hard costs associated or involved with the development and or construction process.

b. Fiscal Years Covered: 2022-2023, 2023-2024, 2024-2025

c. Income Categories to be served: Very Low, Low, and Moderate

d. Maximum award: $215,000

e. Terms: Homebuyer

1. Repayment loan/deferred loan/grant: Deferred Payment Loan secured by Mortgage and Note.
2. Interest Rate: 0%
3. Maximum Award: $125,000
4. Years in loan term: 20 years
5. Forgiveness: Loan forgiven at 5% per year starting in year one, provided that the homeowner is not in default of program terms.
6. Repayment: None required as long as the loan is in good standing
7. Default: The sale, rental, refinancing, transfer of ownership, foreclosure of the primary lender, or when the property is no longer the principal residence during the mortgage term shall be a default whereupon the SHIP investment shall be repaid. In cases where the qualifying homeowner(s) die(s) during the loan term, the loan may be assumed by a SHIP eligible heir who will occupy the home as a primary residence. If the legal heir is not SHIP eligible or chooses not to occupy the home, the outstanding balance of the loan will be due and payable.
8. Restrictive Covenant: Each property may have a restrictive covenant recorded with the deed at the initial purchase to ensure that if the property is resold it will remain affordable to a low-to-moderate income family. The restrictive covenant will remain in effect for the entirety of the 20-year period and will indicate the maximum resale price, process for foreclosures, and legal actions if the agents,

successors, and assignees are found in violation of the program requirements. The use of a restrictive covenant will depend on the use of partnership programs.

Terms: Developer

1. Repayment loan/deferred loan/grant: Deferred Payment construction lien placed on the property during construction, which will be released upon sale of the home to an eligible buyer.
2. Interest Rate: 0%
3. Years in loan term: not to exceed two years
4. Forgiveness: Not Applicable
5. Repayment: Benefit of the loan is passed through to the eligible buyer
2. Default: If the home is not sold to an eligible buyer within two years, the loan is due and payable.

f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified/first served basis. Homebuyer must meet the following qualifications:

1. Complete a HUD certified homebuyer education class within the 12 months prior to closing;
2. Contribute toward the purchase of the home, a minimum of $500 and;
3. hold less than $25,000 in liquid assets

g. Sponsor Selection Criteria: Selection of a developer and/or sponsor will be based upon responses to an advertised request for proposal. Selection criteria will include:

1. nonprofit or for profit locally based with expertise in affordable single family housing construction and marketing units to Very Low Income families;
2. amount of non-SHIP funds or value of in-kind services committed as SHIP leverage;
3. unit production goals in relation to SHIP funding request;
4. use of green building technologies, energy efficiency measures, and/or use of recycled building materials or components in the production or preservation of housing units;
5. percentage of units targeted to Very Low-Income families; and
6. documentation of the agency's employment or planned employment of personnel from the Welfare Transition Program or other community training shall result in a priority for award of SHIP funds assuming the agency demonstrates capacity to implement the subject SHIP activity.

Proposals meeting the RFP requirements will be evaluated by the County and/or City Housing staff, or a committee comprised of County and/or City representatives, to determine the agency or organization that will implement the strategy. Final selection and contract approval will be provided by the County Commission or City Council. The RFP may solicit participation for the full three-year LHAP period.

h. Additional Information: Not Applicable

E. RENTAL PRESERVATION / DEVELOPMENT	Code: 14, 21

a. Summary: SHIP funds will be expended to support the preservation or development of affordable rental housing or special needs housing (as defined in 420.0004 (13)) for eligible persons through new construction, acquisition of property or existing rental units, and/or rehabilitation/redevelopment of existing rental units.