City of Pensacola

Affordable Housing Advisory Committee

Agenda

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

May 7, 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. 24-447 APPROVAL OF MINUTES: REGULAR MEETING DATED APRIL 2, 2024

Attachments: *AHAC Meeting Minutes 04-02-24*

PRESENTATIONS

ACTION ITEMS

DISCUSSION ITEMS

2. 24-446 LHAP RENTAL AND DISASTER STRATEGIES

Recommendation:

Sponsors:

Attachments: *_Handout_2022-25 LHAP excerpt_rental and disaster strategies*

PUBLIC COMMENT

ANNOUNCEMENT/WRITTEN COMMUNICATION

ADJOURNMENT

3. 24-448 NEXT MEETING WILL BE TUESDAY, JUNE 4, 2024 AT 9 A.M.

Attachments: *None*

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

April 2, 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 April 2, 2024 at 9:00 AM.

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

Committee members absent: Brenton Goodman (excused), County Commissioner Lumon May (excused), City Councilman Delarian Wiggins, and Renee Wilhoit

Staff members present: Meredith Reeves, City of Pensacola Housing Department; Tracy Pickens, City of Pensacola Housing Department; Garett Griffin, Escambia County Neighborhood Enterprise Division (NED); Tim Evans, NED; Lisa Harrell, NED; Audrey Washington, Escambia County District 3 Office

Call to Order 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
Proof of publication was noted by the City and County staff.

Approval of Minutes
Meeting Minutes from February's meeting were then reviewed and a motion was made by Laura Gilmore to approve. Ed Brown seconded the motion and it passed unanimously. The Meeting Notes from the March meeting were next reviewed by the Committee and a motion was made by Laura Gilmore to approve. Paul Ritz seconded this motion, and it passed unanimously.

Presentations
No presentations were scheduled on the agenda. However, Chairwoman Crystal Scott introduced Sam Young, the CEO of Pensacola Habitat for Humanity, and asked Mr. Young to present updated information on the Northwest Florida Community Land Trust, an entity founded and managed by Pensacola Habitat for Humanity.

Mr. Young stated that the goal of the Land Trust is to have "upwards of 100 lots" in the ownership of the Trust by the end of 2025. He further stated that the City of Pensacola and Santa Rosa County have both expressed strong interest in collaboration with the Land Trust, and he discussed the two appropriations received by the State specifically for the Land Trust.

Mr. Young ended his presentation by suggesting that the Community Land Trust, as a component for assuring affordability of housing in communities of dramatically shifting property and housing prices, be worked into the Local Housing Assistance Plan (LHAP) currently under development.

Chair Scott and the Committee expressed thanks to Mr. Young for the presentation and many spoke in favor of his suggestion regarding the LHAP.

Discussion Items – LHAP Homebuyer Strategies
Section II. A. Purchase Assistance – The Committee discussed the recent changes in this activity from the technical amendment, to include the recently increased assistance amounts. The Committee focused on securing the long-term affordability of homes which have/are receiving assistance, to include adding language to permit for community land trust purchases. Discussion was also made related to buyer education needed for community land trust purchases.

Section II. D. New Construction – The Committee asked County staff to walk through the process of this activity and explain the difference between the maximum awards stated in this activity. Discussion of sales price, administrative fees, and disposition methods. The County plans to have a deed restriction to maintain long term affordability.

In both strategies, the Committee discussed the merits of having the SHIP funding permanently stay in a land trust and assumable and whether it would be beneficial to have the CLT model as a purchase assistance strategy or new construction/development strategy (or both). Committee members did stress the need for future buyers to be able obtain closing cost assistance. The Committee tasked City and County staff to research and provide some recommendations at a future meeting.

Discussion Items – LHAP Owner Occupied Rehabilitation Strategy Modification
Section II. C. Owner Occupied Rehabilitation. Garett Griffin brought the discussion around to the consideration of what might qualify for an "Emergency Rehab" – designated as such for health and/or safety reasons, with edits for HVAC repair/replacement specifically for populations at <50% AMI, with elderly or special needs prioritization due to limited funding availability. He asked if the Committee might support the staff recommended adjustments to the LHAP as currently presented. Laura Gilmore made such a motion, which was seconded by Paul Ritz. The motion passed unanimously.

Old Business
Garett Griffin stated that he was in contact with the County Development Services Department to have a speaker for a future meeting.

Updated Housing Delivery Goals charts were provided to the committee as a handout as well.

Public Comment
There was no Public Comment made during the opportunity for open forum.

Announcements
Chair Scott stated that the next meeting will take place May 7th, 2024 at 9:00 a.m. in the Vince Whibbs Conference Room at City Hall.

Adjournment:
Chair Scott adjourned the meeting at 9:55 a.m.

Submitted by Timothy H. Evans

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.

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

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

d. Maximum award: Up to $ 150,000 per unit as determined by a subsidy layering review; $500,000 maximum provided per development

e. Terms:
1. Repayment loan/deferred loan/grant: Deferred Payment Loan or Grant depending on proposed project secured by Mortgage and Note or Deed Restriction. Grants will only be provided to developments receiving $10,000 or less.
2. Interest Rate: 0%
3. Years in loan term: 15 year minimum on all projects and 20 year minimum on any new construction project co-funded with local HOME funds. A longer term may be considered if specifically required by HUD, FHFC, RD or other primary lender as a condition for project financing.
4. Forgiveness: As defined in the applicable mortgage and note. For deferred payment loans, a portion of the loan will be forgiven as follows provided the project is not in default of program requirements:

15 YEAR LOAN	20 YEAR LOAN
Years 0-4: No forgiveness	Years 0-4: No forgiveness
Years 5-9: 25%	Years 5-9: 25%
Years 10-14: 25%	Years 10-14: 25%
Year 15: 50%	Years 15-19: 25%
	Year 20: 25%

5. Repayment: Not required as long as the development is not in default of any program terms.
6. Default: As defined in the applicable mortgage and note or deed restriction, recapture of the outstanding loan balance of SHIP funds invested is required upon default. A default is the sale, transfer or conveyance of the property prior to term expiration; conversion to a non-approved use; failure to maintain standards for compliance as required by funding sources, including income eligibility of tenants and rents limits. The sale of properties assisted with SHIP funds shall require approval of the Board of County Commissioners and shall be acceptable (without repayment) only if the subsequent owner(s) agree to meet any remaining rental, occupancy and affordability obligations established in the development agreement, mortgage and note.

f. Recipient/Tenant Selection Criteria: Tenants will be assisted on a first qualified, first served basis.

g. Sponsor/Sub-recipient Selection Criteria: Funding under this strategy will be awarded through a competitive Request for Proposals (RFP) process. Priority may be given to developments that serve Very Low Income households and/or targeted populations such as homeless persons, veterans, elderly households, or special needs households as defined in Section I(U) of this Plan.

*CHDO sponsored "set-aside" rental project(s) co-funded with local HUD HOME funds will be undertaken in partnership with an eligible, locally designated CHDO. CHDO project selection criteria shall include the following at a minimum, as applicable:

1. agency must be a locally designated CHDO and a 501(c)3 non-profit;
2. agency's previous rental development experience (agency staff);
3. conformity with Escambia Consortium Consolidated Plan goal(s) for rental housing;
4. total (aggregate) cost per unit all funding sources;
5. subsidy level per unit and SHIP cost per unit;
6. ratio of private funds to public funds;
7. ratio of other funds to SHIP funds;
8. compliance with preservation or new construction preference;
9. rental development bedroom size mix;
10. percentage of units targeted to families below 30% or 50% of Area Median Income;
11. commitment to use green building technologies, energy efficiency measures, and/or use of recycled building materials or components in the construction, repair, or preservation of housing units;
12. proposed development site located in a designated Community Redevelopment Area (CRA) or other targeted area;
13. target date for Project commitment and completion;
14. documentation of the agency's employment or planned employment of individuals through the Welfare Transition Program shall result in a priority for award of SHIP funds assuming the agency demonstrates the capacity to implement the subject SHIP activity.

*Non-CHDO (non-profit and/or for profit) projects will be accepted through an RFP process and will be evaluated at the time of submission to maximize the potential for integration of resources (FHFC, HUD, RD, etc.). Project selection criteria at a minimum will include:

1. experience in development of affordable rental housing;
2. proof of financial capacity for development of units and sufficient cash flow to maintain operation of the units for affordable housing;
3. site control (or contract for sale);
4. ability to proceed;
5. management capacity of affordable rental housing and targeted population if part of the RFP;
6. leveraging ability;
7. commitment to use green building technologies, energy efficiency measures, and/or use of recycled building materials or components in the construction, repair or preservation of housing units;
8. services/amenities to be offered at the units; and
9. percentage of units targeted to families below 30% or 50% of Area Median Income

As applicable, proposals from nonprofit sponsors or for-profit sponsors will be evaluated by the County and City Housing staff, or a committee comprised of County and 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.

h. Additional Information:

1. Funds may be used to support costs directly associated with project development, including architectural and engineering costs, appraisals, permitting fees as well as land acquisitions and construction expenses.

2. Funding is intended to be used as gap financing for the development. However, in cases where the proposed development is 50 units or less, the County may decide to provide a larger amount of funding if the developer is providing units specifically for special needs, homeless, or Very Low Income households.

F. DISASTER MITIGATION ASSISTANCE	Code: 5, 16

a. Summary: SHIP funds may be used in all areas of Escambia County and the City of Pensacola to provide assistance to families in the aftermath of a "disaster as declared by President or Governor issued Executive Order(s)". Generally, such needs shall include such items as: purchase of emergency supplies for eligible homeowners to weatherproof damaged homes; interim repairs to avoid further damage to the homes of eligible families; tree and debris removal required to make individual housing units habitable by the eligible family; payment of insurance deductibles for rehabilitation of homes covered under homeowner's insurance policies; security deposit for eligible recipients that have been displaced from their homes due to disaster; rental assistance for eligible recipients that have been displaced from their homes due to disaster; strategies included in the approved LHAP that benefit applicants directly affected by the declared disaster; and other activities as proposed by the County/City and approved by Florida Housing Finance Corporation. This strategy will utilize funds not yet encumbered or with additional disaster funds allocated by Florida Housing Finance Corporation.

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

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

d. Maximum award: $25,000 insurance deductible not to exceed $3,000 included within the maximum award)

e. Terms :
1. Repayment loan/deferred loan/grant: Grant
2. Interest Rate: Not Applicable
3. Years in loan term: Not Applicable
4. Forgiveness: Not Applicable
5. Repayment: Not Applicable
6. Default: Not Applicable

f. Recipient/Tenant Selection Criteria: Assistance provided on a first qualified, first served basis following the declaration of the disaster. Priority may be given to households with special needs, Low and Very Low Income households, and households that qualify as elderly as defined in 420.503, F.S.

Owner occupant applicants must have homestead exemption, property taxes current, mortgage and property insurance (if present) current, and with no outstanding liens or judgments owed to the County or City. Rental applicants may not have outstanding liens or judgments owed to the County or City.

g. Sponsor Selection Criteria: Given the emergency nature of this activity, a sponsor may be used for implementation of this strategy where assistance may not be carried out by County or City staff. Funding under this strategy will be awarded through a competitive Request for Proposals (RFP) process.

h. Additional Information:
1. This strategy may be leveraged with other federal, state, or local funding as well as volunteer labor.
2. In the event of a "presidentially or state declared disaster," up to 25% of the available Escambia/Pensacola SHIP Program funds may be immediately utilized to meet emergency housing repair and recovery needs of SHIP eligible families. In the event of such an occurrence, the County shall notify the Florida Housing Finance Corporation (FHFC) of such action by written letter, facsimile, or e-mail within 15 days of the date of the disaster declaration.
3. No duplication of benefits may be provided. Applicants must provide proof of assistance received from insurance, FEMA, or other resources. Insurance proceeds must be used before SHIP funds, except for payment of insurance deductible.
4. Assistance to owner occupants provided only on primary residences.
5. Rental assistance may be provided for up to twelve months after the disaster declaration made by Executive Order. SHIP funds may not be used to pay for rental arrears.
6. SHIP funds under this activity will generally be paid directly to contractors, landlords or their agents, insurance companies, etc. However, emergency funds may be provided directly to the applicant for some emergency disaster related expenses, such as the reimbursement of tarps, emergency tree and debris removal, and other temporary measures to avoid further damage to the property.

G. RENTAL ASSISTANCE	Code: 13, 23, 26

a. Summary: Funds will be awarded to renters that are in need of assistance with obtaining a lease on a rental unit. This may include utility deposits, security deposits, and eviction prevention up to three months' rent. For households that are Very Low Income and have one adult with special needs according to 420.0004 (13) or that are homeless as defined in 420.621 at time of application, rent equal to no more than twelve months' rent assistance is eligible.

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

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

d. Maximum award: $7,500 ($2,500 max for security/utility deposits and/or eviction prevention; $5,000 max for rental assistance); $14,500 for special needs homelessness prevention ($2,500 max for security/utility deposits; $12,000 max for rental assistance)

e. Terms:
1. Repayment loan/deferred loan/grant: Grant
2. Interest Rate: Not Applicable
3. Years in loan term: Not Applicable
4. Forgiveness: Not Applicable
5. Repayment: Not Applicable
6. Default: Not Applicable

f. Recipient/Tenant Selection Criteria: Applicants will be ranked for assistance based on a first-qualified, first-served basis with the priorities for Very Low Income applicants, Special Needs Households, and Homeless Households. Rental Assistance is only available to Very Low Income special needs or homeless households as defined in this plan. Security and utility deposits and eviction prevention is available to Low Income households.

g. Sponsor Selection Criteria: Sponsors will be selected to administer the Rental Assistance Program. Criteria for sponsor organization selection will include:
1. Past experience working with target population;
2. Past experience administering rental assistance programs; and,
3. Participation in Continuum of Care Coordinated Entry system (for homeless)

h. Additional Information:Applicants may be referred to the County through supportive services or other community-based organizations. Funds to be paid directly to landlord or utility company.

III. LHAP Incentive Strategies

In addition to the **required Incentive Strategy A and Strategy B**, include all adopted incentives with the policies and procedures used for implementation as provided in Section 420.9076, F.S.:

A. Name of the Strategy: **Expedited Permitting**
Permits as defined in s. 163.3177 (6) (f) (3) for affordable housing projects are expedited to a greater degree than other projects.

Provide a description of the procedures used to implement this strategy:

Escambia County: The County is continually reassessing the permitting function to improve permit processing efficiency and reduce the time required for issuing residential permits. The Building Services and Development Services Departments will take actions necessary to expedite and/or avoid delay of affordable housing developments which incorporate financing via Federal, State or designated local affordable housing programs or initiatives. Such developments will be given review priority in accordance with provisions of the Housing Element of the Escambia County Comprehensive Plan. The current permitting review process for single family homes or duplexes in established/platted, properly zoned subdivisions shall be generally retained as this process provides a permit turnaround time of less than fou r days. Permit applications inquire whether the development is receiving affordable housing funding.

City of Pensacola: Expedited processing of permits includes development orders and development permits including building permits, zoning permits, subdivision approval, rezoning, certification, special exception or variance approvals. The City's process is on online centralized process. The present system provides excellent expedited central "one-stop" process for affordable housing projects located within the City. The application provides an