

November 8, 2006  
Milton, Florida

Present: Cindy Cotton, Diane Collar, Oakland Ard, Chrys Holley, and Michelle Parker. Also present were the County Administrator (Hunter Walker) and Public Services Director (Tony Gomillion). Walker said Jerry Burden is sick and will not be present today. Danny Holt joined the meeting at 3:42 p.m.

#### Approval of Minutes

Ard moved approval of the minutes from the October 25, 2006 meeting; Holley seconded, and the motion carried unanimously. (5-0)

#### HHRP Construction Development/Finance Strategy Discussion

Kevin Wagner said he distributed a handout to all members. He said since the last meeting, four proposals were received. Wagner said they were proposed to be rejected due to wording and need within the strategy. He said home costs increased significantly after Hurricane Ivan, and this strategy was created to help produce homes that were not being produced for people who made less than 100% of AMI (Area Mean Income). Wagner said because the market has come down, the private sector is now able to build homes for \$140,000.00. He said the question is whether or not the strategy is still needed, should the proposals be looked at again, should rejection of the proposals continue, and should funds be reallocated etc. Wagner said he felt this meeting is a working discussion of the strategy. He asked everyone to read the strategy to see what they like or dislike. Wagner said the goal of the strategy is to produce homes the market is not producing. He said the market is now potentially producing these homes. Cotton said this is the same strategy the committee had four proposals on at last meeting that were tabled. He said all of the money in the strategy would have been used if the four proposals had been approved. Wagner agreed. He said the money available in this strategy is approximately \$2.1 million.

Walker said these proposals were tabled at the last meeting. He said the committee talked about rejection of the four proposals, but the committee did not formally make a recommendation to reject the proposals. Walker said the rejection recommendation has not been carried to the Board. He said he carried forward the two recommendations to the Board of County Commissioners on the SHIP Program involving homeowners insurance and increasing the amount from \$10,000 to \$15,000. Walker said these recommendations will be approved tomorrow.

Wagner said he thought the four proposals were rejected. He said he did not realize they were tabled. Parker asked if there is a timeframe for the decisions of this strategy. Wagner said the funds need to be encumbered under a contract by July 2007. He said he hopes to have all of the county's funds spent by July 2008.

There was discussion on the current strategy with regards to AMI and possibly increasing the current subsidy. Wagner said the four proposals submitted predominately help individuals at the 80% or less AMI. He said none of the proposals reached down to the 50% or less AMI.

Parker asked about liens on the current subsidy. Wagner said the lien is for a period of 15 years. He said construction costs and lot acquisitions are subsidized. Wagner said, for example, a home is bought and sold for \$150,000. The contractor will make draws for up to \$50,000. The family could essentially buy a home with the remaining mortgage balance of \$100,000. The County will automatically have a second mortgage for \$50,000 to prevent the owner from flipping the home. The subsidy will be a 15 year no interest, no payment, mortgage."

Cotton asked about a rental strategy. Wagner said the people in the 50% AMI category most likely do not have enough credit or buying power to purchase a home. Cotton asked if the committee has the authority to implement a rental strategy. She said the only way to help those individuals without an extreme subsidy is with a rental strategy. Cotton asked if the committee has the ability to move some of this money into a rental strategy or if the committee needs to change the description of the strategy. Wagner said there is currently a rental strategy where the Carlisle Group received \$2 million. He said money can be transferred to the rental strategy and another RFP (Request for Proposal) can be issued.

Guy DeStefano, CEII (Community Enterprise Investments, Inc.), said they have found that people under 80% AMI do not have the financial ability to afford a mortgage. He said his company has always targeted 80% AMI. DeStefano said the RFP requested homes for larger families. He said larger homes cost more. DeStefano said if the committee wants to help the 50% level, then a new approach needs to be taken with smaller homes. Cotton said the committee will decide today or at the next meeting whether or not the strategy needs to be changed.

Cotton said Burden made a comment at the last meeting about looking at existing home inventory. She said she researched this issue and found there are homes available for the 80% AMI market. Cotton said there are some homes priced that can even help the 50% AMI. She said she would like to see the committee entertain the idea of an RFP to see if there are any builders with inventory to meet either one of these categories with some amount of dollars to be used for down payment assistance on new construction currently sitting on the market. Cotton said she felt 50% and 80% AMI needs can be met with the current home inventory. Wagner said option #2 in the handout covers this.

Gomillion said last year when staff looked at the rental strategy it became obvious that to have the greatest impact with limited funds on the lower income, more money should be placed into the rental strategy. He said this will help the most people. Gomillion said this may be a better solution rather than a larger subsidy to help only a few people. Cotton asked if the amount can be split. She asked if half can be placed towards

rental strategy and half towards home purchase. Cotton said an RFP can be put out to all homebuilders who own new homes. Holley said she is for helping the most people. Wagner said this can be done. He said the rental strategy is already defined, and the amount of money approved can be moved to this strategy. Collar said there are a lot of people who meet the lower income group. She said they include disabled and older people who had homes destroyed during the hurricane, and this group is not able to get any help at all. Walker said staff can write up several proposals to bring back to the committee in December.

**Parker moved approval to table this discussion to the December meeting; Collar seconded, and the motion carried unanimously. (6-0)**

Walker discussed Danny Holt's conflict with the Building Board of Adjustments and the SHIP Partnership Advisory Committee. He said the SHIP Advisory Committee needs to discuss going back to the 4th Wednesday of each month beginning in January 2007 due to this conflict. Walker said any other contractor on the Building Board of Adjustments will have this same conflict.

Guy DeStefano said he has heard a lot of supposition but no facts in terms of a market survey, facts or figures, etc. He asked if a committee can be appointed to get the facts and figures together. DeStefano said his company only found homes in the \$145,000 to \$165,000 range in their shopping of the open market over the last four months. He said these are just out of reach with the \$50,000 subsidy and 80% AMI. Cotton said the committee will look into all of the questions proposed by DeStefano. She said if it is suggested a different committee is needed for research, it can be discussed at the next meeting.

CEII Presentation

Guy DeStefano, Community Enterprise Investments, Inc. presented a Power Point Presentation on 10 homes being built in the area by his company. The presentation outlined the homes being built in detail. DeStefano said the homes are marketed directly towards teachers, firefighters, etc.

Collar compared homes currently on the market to the homes presented in the Power Point Presentation with regard to price. She said the homes presented in the presentation seem to be priced high.

SHIP Partnership Membership conflict

Cotton said at the last meeting staff was asked how membership on the SHIP Advisory Committee might affect people who submit bids. She said such people include Robbie Foster with Tri-Star Builders and Blackie Black with Bagdad Home Builders. Holley said after the last meeting she talked to Blackie Black and his daughter. She said both of them said they are interested in serving on the committee, but she said she is not sure if there is a conflict of interest. Walker said the County Attorney has some concerns with conflict. He said Debbie Nickles sent him a composition from the Florida Statute and the rules in this regard. Walker said the each time a builder is mentioned it is someone who deals with affordable housing. He said the builders mentioned are specifically familiar with affordable housing. Walker said these rules fit the individuals mentioned for membership. He said six different programs were contacted with regards to these rules. Walker discussed the rules other programs are abiding by. He said a member can abstain from voting if there is a conflict. Cotton said her concern is the committee needs as many builders as possible and allowable to guide the committee with building costs and affordable housing. She said she felt the committee will have a hard time getting a committee member who is active and who understands affordability issues; therefore, it is highly possibly they may want to submit bids from time to time.

Walker said some names were given to him by Commissioners. He said one was a builder and one was a realtor. Walker asked if the committee can defer this issue until the next meeting. He said he will get names to the committee members for their input. Walker asked if there are two membership openings. He said he will clarify Lester Black versus C.W. Black with regards to membership.

Other Business

Debbie Nickles said when the SHIP rule first came out the law stated a committee had to be set up to adopt the local housing incentives plan. She said the incentives plan documented who had to be on the committee. Nickles said the law also stated in order to prepare a housing assistance plan, a committee with specific representatives was needed. She said the Housing Coalition confirmed a lot of counties no longer have a committee. Nickles said she does not think there is anything in the rule or law that says the number of committee members has to be limited. She said members can be added if that is what is wanted. Nickles said the only time SHIP is required to have a committee by law is when the plan is recommended, and the plan is recommended every 3 years.

Kelly Hobbs, minutes recorder, asked if the 4 proposals discussed earlier in the meeting are still tabled to the next meeting. Cotton said yes. She said hopefully at the next meeting a definitive decision can be made.

Next Meeting/Adjournment

The next SHIP Partnership Advisory Committee meeting is scheduled for Wednesday, December 13, 2006 at 3:00 p.m. Walker said he would like to see the committee go back to the 4th Wednesday beginning in January 2007 to avoid the conflict with Mr. Holt.

There being no further business to come before the committee at this time, the meeting adjourned.