

August 16, 2017

The Nassau County Affordable Housing Advisory Committee met in regular session this 19th day of July 2017 at 4:00 p.m. at the Commission Chambers, James S. Page Governmental Complex, Yulee, Florida. Following roll call, it was noted that the following Affordable Housing Committee Members present were: Lori Britt, Jenna Emmons, Greg Matovina, Carlene McDuffie, Lisa Rozier, Len Kreger, City of Fernandina Beach Commissioner; and Chair Justin Taylor, County Commissioner. Absent from the Committee were Dr. Laureen Pagel, Betsie Huben, Laura DiBella, and Dr. Kathy Burns.

Also present was Taco Pope, Director of Planning & Economic Opportunity; and Peggy Snyder and Melissa Lucey, recording secretaries.

Chair Taylor called the meeting to order at 4:05 p.m., and he noted the agenda items would be heard out of sequence in order to hear presentations.

Addressing Tab F, Jeff Zimmerman, Mortgage Loan Officer with Regions Mortgage, came forward and briefly explained Regions' Affordable 100 Program which allows 100 percent financing with no Private Mortgage Insurance (PMI) with the requirement of less than 80 percent of the medium income for Jacksonville Metropolitan Statistical Area (MSA), or if the property itself is located within the Low-to-Moderate (LMI) Census Tract. He graphically provided the designated outline within Nassau County's LMI Census Tract with no income restrictions. Mr. Zimmerman explained that Regions' software although is proprietary, there is public geocode mapping software available with the same information available however the inventory is low within the LMI Census Tracts which is based upon population and data driven. He outlined affordability within the program being 33 to 41 percent front/back ratio of gross monthly income to be applied to full housing payment, principle, interest, taxes, insurance, any Homeowners Association (HOA). Mr. Zimmerman advised the intention of this program is to allow affordability.

Regarding Tab A, Charles Caldwell, Area Specialist for the U. S. Department of Agriculture (USDA) Rural Development, came forward to advise he covered a total of 13 counties including Nassau County, unfortunately there is small part of Nassau County that is not eligible for the USDA program. He briefly discussed the 502 Direct Loan Program which is intended to provide very low and low income households the ability for unguaranteed loan through a traditional lender with 100 percent financing at the current interest rate of 3.25 percent. He advised there is a ratio bonus by 2 points from 31/43 front/back ratio of gross monthly income with a 33 year loan; however if the applicant meets the very low income category the loan can be extended into 38 years. Mr. Caldwell explained that in addition to the Home Purchase Program, they offer a Home Repair Program which includes Section 504 Loan of \$20,000.00 with 1 percent interest for up to 20 years for very low income category and Section 504 Grant Program of \$7,500.00 with the applicant's minimum age of 62 years old; the grant funds can only be used to correct health and safety issues within the home. He noted that all programs possess credit scoring requirements for eligibility.

Mr. Pope addressed Tab C, a discussion of interim and clean-up amendment to the Local Housing Assistance Plan (LHAP). He advised that in the agenda packets was a copy of the Fiscal Year 2018-2019 LHAP, State Housing Initiatives Partnership (SHIP) Program. He advised that this version of the LHAP was a strike-thru and underlined version which represents the clean-up that was done from a staff level as referenced in the staff summary memorandum dated July 31, 2017 to Chairman Taylor and the members of the Affordable Housing Advisory Committee. The goal is to make the LHAP as accurate as possible in terms of the statutory requirements in order to obtain approval by the Board of County Commissioners. He noted that the committee had concerns regarding several items which they could address during this interim period.

Carol Gilchrist, the County's SHIP Coordinator, came forward to review the changes since the last revisions. Once the County makes their revisions, the LHAP is reviewed by SHIP for compliance. She noted several revisions made

by SHIP. Mr. Pope addressed energy efficient land use patterns and compact density. Regarding rehabilitation of homes, SHIP funding begins with health and safety for the homeowner first; energy efficiency projects would be allocated as money allows.

Mr. Pope referred to Section II. LHAP Strategies (A)(f) – Recipient Selection Criteria which states that should a waiting list develop for this strategy, priority will be given to special needs applicants. Ms. Gilchrist explained that 20 percent of the SHIP funding must be allocated for special needs. Section D(e), for rehabilitation projects costing \$65,000 or less, SHIP wants to allow for recapture; therefore, the grant has been eliminated.

Addressing Section D(c), Rental Housing Development Assistance, Mr. Pope understood that the committee wanted the area median income (AMI) reduced to 60 percent from 80 percent which he had reduced in the draft LHAP. Ms. Gilchrist explained that this program is for funding to build apartment communities with a percentage of units being allocated for eligible applicant whose household income is at or less than 60 percent of the AMI. Mr. Kreger explained that in the City of Fernandina Beach, the City provides bonus units in exchange for affordable units at 50 percent AMI; he felt that 80 percent was market rate. Chairman Taylor mentioned that the County is redeveloping their website and plan to incorporate affordable housing information in order to reach the public. Further discussion followed regarding annual income certification for lease renewals. Ms. Emmons mentioned the website of the Florida Housing Finance Corporation where they list all their subsidized rentals, www.floridahousingsearch.org. Ms. Gilchrist explained how the qualification process works with the SHIP program and the number of loans that are written annually. She added that it also depends upon the amount of funds provided by the state.

The group discussed AMI percentage rates and the demand for affordable rentals. Mr. Matovina suggested leaving the AMI at 80 percent but give priority to 50 percent. Mr. Kreger suggested keeping the AMI amount lower because the low income people will be gone as there will be no affordable housing for them. Mr. Pope explained how the AMI is generally broken down by 30, 50, 80, 120, and 140 percent and the rent amounts for a three bedroom apartment: 30 percent - \$659.00; 50 percent - \$843.00; 80 percent - \$1,350.00; 120 percent - \$2,025.00; and 140 percent - \$2,300.00. Ms. McDuffie agreed with Mr. Kreger that her company is a property management firm with ninety properties; there is nothing available for \$850.00 per month. Mr. Kreger felt that the county should legislate affordable housing like all major cities in order for the banks to finance and the developers to build affordable units. Mr. Pope inquired whether availability of units has caused the increase in rental prices or is it because Nassau County is considered a desirable area with better schools. Ms. McDuffie explained that there was a shortage of housing as well as rentals; there are ten renters for every house. Ms. Emmons explained that from an administrative and technical standpoint from someone who looks up rents for people; there is not a line for 60 percent AMI. She suggested revising it to 50 percent or stay at 80 percent as these are SHIP's breakdowns. Since they will be revising the LHAP again next year, she suggested leaving the AMI at 80 percent. Chairman Taylor explained that they will be reviewing the LHAP again in September before it goes before the Board of County Commissioners. Mr. Pope explained that what they are doing now is to ensure that the LHAP is compliant in order to receive state funding. Discussion followed. Chairman Taylor suggested that the committee review the LHAP amendments at the September 20th meeting. Regarding the LHAP amendments, Mr. Pope explained that in Section III, his department struck everything that was dated and no longer applicable and inserted the information directly from the Comprehensive Plan for consistency purposes. Discussion followed regarding eligible developments claiming density bonuses. Chairman Taylor requested that the group review the LHAP and reach out to Mr. Pope with individual concerns in order to be prepared to review and make recommendations at the September meeting.

Regarding Tab D, Mr. Pope updated the group on his discussions with the University of Florida regarding the needs assessment. He explained that they are on board to conduct this study and the scope of work was discussed. They requested a time to meet with this committee to further discuss the needs assessment. Staff had set a six month timeframe; however, the University of Florida did not think it would take that long as they are the clearinghouse for the state data. Staff asked them to go further than they typically do to review the county's land use patterns and resort community and what has worked in other areas. Mr. Kreger explained that he has requested \$10,000.00 from

the City of Fernandina Beach's budget towards this needs assessment. Mr. Pope will draft a scope of services to fit the parameters and will get ahold of the Chairman if they will need a special meeting to address this.

The committee addressed Tab E – discussion of an Affordable Housing Advisory Committee Mission Statement. Chairman Taylor read a general Mission Statement he had written for the committee's review as follows, "*Serve as the catalyst for innovative solutions to address the current shortage of affordable housing for working-class individuals through strategic partnerships, targeted ordinances and meaningful incentives that assure that low-paid yet critical members of our workforce can find safe, dignified housing within Nassau County.*" He had heard from members of the community that they thought that this committee was designed to manage public housing; therefore, he wanted to have a statement that would show this committee's intent. Ms. Emmons requested the removal of "working-class citizens" as it would not include retired or elderly and also take out "low-income" as well as "workforce". Ms. Britt liked that verbiage in the statement as it shows they are not focused on public housing; there are programs for disabled and senior citizens but not for people who need affordable homes. A lengthy discussion followed. Chairman Taylor suggested that the group review this statement verbiage and bring back suggestions to the next meeting.

Chairman Taylor addressed Tab G, Mr. Pope's memorandum regarding staff summary of AHAC's direction and major topics of discussion for the committee's review.

There being no further business, the Affordable Housing Advisory Committee meeting adjourned at 5:40 p.m.