

**CHARLOTTE COUNTY  
AFFORDABLE HOUSING ADVISORY COMMITTEE  
MINUTES  
August 26, 2010  
Mid-County Regional Library  
2050 Forrest Nelson Boulevard**

**I. ROLL CALL:**

In the absence of the Chair, Bob Hebert called the meeting to order at 10:00 am. Roll call was taken.

**Committee members present:** Barbara Melanson  
Christine Cupp  
Edward Zysko  
James Marshall  
Jeff Ahrens  
James Sweeney

**Committee members absent:** Cecy Cowger Glenn  
Jim Kelley

**Others present:**

Marty Burton, Charlotte County, County Attorney  
Commissioner Patricia Duffy, Charlotte County Board of County Commissioners  
Doreen Stoquert, Charlotte County Budget & Fiscal Services  
Ken Quillen, Charlotte County Growth Management Department,  
Mike Mansfield, Charlotte County Habitat for Humanity.  
Bob Hebert, Charlotte County Housing Division,  
Wilda Rock, Charlotte County Housing Division,  
Victoria Carpenter, Charlotte County Human Services  
Brenda Bala, Housing Corporation of Charlotte County,  
Loraine Helber, Punta Gorda Housing Authority

**II. Approval of Previous Committee Minutes:**

1. November 2009 AHAC Meeting
2. February 2010 AHAC Meeting
3. May 2010 AHAC Meeting

**MOTION: Cupp/Sweeney, Approved**

**III. July Housing Report**

Distributed with discussions of contents

**IV. Reports**

1. **Habitat for Humanity:** Mr. Mansfield reported that Habitat for Humanity has 7 houses under construction. All 40 homes that were to be completed by June 30, 2011 will be completed. They are able

to get homeowners in by June 30<sup>th</sup> so they can qualify for the tax credit of \$8,000 under the New Home Buyer Tax Credit Program. He anticipates a struggle beginning this fiscal year, July 2010, because funding is limited this fiscal year, no county funding for SHIP has been budgeted by the State. Habitat is looking at a U.S. Department of Agriculture program similar to Habitat's program except for a required 1% mortgage instead of 0% mortgage. It would apply to rural development only in Punta Gorda; Tropical Gulf Acres and Harbor Heights because flood zone construction is not allowed by this program.

Habitat has nine qualified families in the program currently. Some candidates unfortunately do not qualify and can eventually get into the program but have debt problems and credit issues that need to be taken care taking 3 to 6 months for some and others take 12 to 18 months.

The Impact fee Reduction Incentive Grant funds were used in the last fiscal year. Of the \$2 million received by the County, Habitat received \$1.4 million and completed 40 projects at \$35,000 per unit. Commissioner Duffy commented that after the Hurricane season in 2004, the County Commission reduced impact fees in an effort to spur the building industries and that Representative Aubuchon introduced a Bill to recognize this accomplishment. The State Legislative approved and funded this incentive program.

2. **Housing Corporation of Charlotte County:** Ms. Bala reported that January thru July 31, 2010 the Housing Corporation spent over \$1 million in County funds, mostly for rehabilitation. There were 31 applicants for rehabilitation and 14 for septic system repair or replacement.

Housing Corporation, operating since 1994 will be shutting down due to economic conditions. She stated that everyone is struggling and they are experiencing a loss of funding from several sources. They lost funding for the SHIP program and counseling programs. Starting in June they have been unable to fulfill restrictions and requirements of the program they administer for the County. This placed them into financial hardships and then the County requested they do a costly financial audit. They received this notification letter the first week of June. Price tag for annual fiscal audit from 2004 till 2010 is \$80,000. In her opinion, no non-profit organization will have the funds to perform such an audit. They received a notification from the County 2 days ago that County will do the audit as required.

The Housing Corporation's contract with the County is the base for all other funding. Then they go to HUD and FHFC for additional grants that require local match money. The contract with county is the source of these local funds and the credibility that they will have fund match in most cases. Those who work with grants know match

funds are critical to receiving funds. They found out too late that county was doing audit.

The counseling programs will stop this Friday. We will be trying to shut down office by mid-September. They have fulfilled every item the county has asked. They've had perfect compliance audits with the State and they thank everyone for their support.

Attorney Martha Burton from the County Attorney's Office stated a correction to the comments. She was involved in the communications mentioned earlier. The original request to Housing Corp came from the Charlotte County clerk of the Court, Finance Department from Ann Larrivee, County Finance Director. It was pointed out that they felt a fiscal audit hadn't been done. Ms. Bala stated that they have done well on State audit, which is a program compliance audit. This is an audit of a particular program. The Clerks Office pointed out there has been no fiscal audits. A financial audit should be done on every corporation every year. County Attorney was asked to write a letter to Housing Corporation asking if they have done any such audits. The response was that they have the State audit which audits the contract compliance and work. After meeting with the Clerk's Office Finance staff a decision was made to present to the Housing Corporation an amendment to their contract with the county to provide for an annual fiscal audit starting end of 2010 (not previous year).

Ms. Bala stated first letter said it was required to have this independent audit completed and the word "or" was inserted in the past to state "or if the county accepts any state of federal or county approved audit". She further stated that for 16 years that was accepted. This change came as a big surprise and the Housing Corporation was not prepared for this and didn't have the money for it.

Mr. Hebert stated the source of this requirement was the Clerk's Finance Office. The relationship with the Housing Corporation has been good, no major issues over the years. The issue centers around the fact that millions of dollars of County grants have gone thru Housing Corporation over the years and a financial audit should be completed each year. The County has made arrangements to pick up records and will assess the program status situation and he has asked the Housing Corporation to stop taking applications. The County still has a contract with the State for another year of SHIP funds and the County is obligated to fulfill that contract. There is a continuing issue that the County contract with Housing Corporation continues for another year and has not been terminated by either party as of this point.

Ms. Bala indicated they are willing to continue to put money on the street. Unfortunately we need a place to work out off. They are

prepared to continue the rehabilitation program for those projects in process until completion. The Housing Corporation will have many other contracts with other agencies and will still be around. Currently clients are being referred to other local offices that may be able to help with down payment.

Marsella Enterprises offered office space to the Housing Corporation.

Ms. Bala stated that the Housing Corporation was the only HUD approved agency in Charlotte County. They are now referring clients to Lee County and Sarasota County HUD approved agencies.

Commissioner Duffy asked if this was because of the County.

Ms. Bala stated no, other issues and other funding sources were cut. They knew this was going to be the last of the funds due to State budget cuts for these programs. During June & September they apply for other programs with the applications showing a relationship with the County and a match being present. When the Housing Corporation received the letter from county indicating a breach of contract, she felt contract was in jeopardy and couldn't rely on the County relationship for the additional applications if the contract was terminated. They were then unwilling to apply for any other grants.

Commissioner Duffy stated that the Finance Office is complying with State contractual obligations and the State requires the County to maintain its contract. The County has to make sure contractors are complying.

Mr. Hebert stated that the SHIP program has not been funded for the last 2 years. The County is now utilizing the last year of SHIP funds unless the legislature funds the program this year or it will go away.

Ms. Bala stated that they have not received administrative funds for the last 18 months and they have been servicing the SHIP program without administrative money.

Mr. Hebert offered a correction: Administrative funds were always given in advance for the total amount of the SHIP allocation. All funds were spent by the Housing Corporation without a corresponding expenditure of Program funds. Therefore the Administrative money has been spent by the Housing Corporation. The County has to come up with a way to continue the program as per its contract for this last year.

Those present indicated that they are saddened by news of the closing of the Housing Corporation.

3. **Punta Gorda Housing Authority:** For the last two years the PGHA has been trying to access of FHFC tax credit dollars for a complete replacement of housing units damaged by Hurricane Charley. The senior and disabled unit has not been replaced. HUD wouldn't allow to be built on same site with Gulf Breeze. The PGHA has had land for this project for two years. The FHFC administers the State Tax Credit funding program, which is a lottery system after qualification. The PGHA has challenged this summer/spring allocation awards for May 2010. The PGHA did not get selected by the lottery system for these funds. The challenge looks promising but they have not received these funds. New cycle application for this year starts in November for awards in the next summer (2011).
  
4. **Neighborhood Stabilization Program:** Staff stated that the Florida Department of Community Affairs recaptured \$2.5 million from the County because the County wasn't spending it fast enough. Department of Community Affairs then planned to take any remaining funds, again, because the County was not spending these funds fast enough. The County needed to have these funds obligated/contracted by August 1, 2010 or lose the remainder of the funds. Under the NSP Program, the County has purchased 24 foreclosed houses. The Department of Community Affairs was planning to recapture the funds we were going to use to rehab these properties. The Charlotte County Board of County Commissioners quickly amended the contract with Habitat for Humanity to make them the contractor for the County and take over the rehab and new construction of the NSP properties. This satisfied the Department of Community Affairs requirement for having the funds obligated allowing the County to keep the remaining grant funds. NSP program is still being administered through the county but the construction and oversight of the construction including the bid process is contracted to Habitat.

There are 22 projects that Habitat is responsible for completion. Habitat is not participating in any of the construction, no volunteers. Habitat construction staff & county staff will sign off on work. Habitat then turns the properties back over to the County when completed for disbursement to non-for-profits for NSP purposes. The County has sent out a request for interest to not-for-profit to participate in the NSP program.

Information regarding the Habitat bids can be located on the Habitat website: [www.charlottecountyhfh.org/](http://www.charlottecountyhfh.org/) Responders can see the full scope of work, requests for proposals, and any questions, call Habitat staff to help and walk thru the process. The scopes of work are demo, rehab and some new construction. Some of the projects are on hold for historic significance determinations.

Mr. Ahrens asked if these properties planning these are compliant with the County green ordinance. He was wondering why county is not in compliance.

Staff responded that NSP properties are not County buildings. The Green building ordinance is mandatory only for County owned structures that will be used by the County. These are pass-through properties of the NSP program. Bidders are encouraged to use Green Building Materials in the construction of these properties but not mandated.

Reply, as a citizen is this a requirement for residential construction. Staff responded that it is encouraged but not required at this time.

Mr. Mansfield offered that this program is a stimulus program intended to put contractors out of work to back to work and then deed them to not-for-profits to use them in their Affordable Housing programs.

Mr. Sweeney asked what is the per unit construction limit that is established by the NSP grant program. Staff replied that there is no limit on the costs until money runs out.

Mr. Sweeney replied that cash is not a problem. Staff replied that timing is the problem to spend out the grant.

Staff indicated the County had contracted with a construction manager to work up estimates. This resulted in a work plans for each site. Habitat took it over from that point.

Mr. Sweeney asked: How long to completion?

Mr. Mansfield responded that Habitat has 12 months from the July 27, 2010 to complete all projects.

Mr. Sweeney asked occupied by when?

Staff replied eighteen months from when the state signed their contract with US Department of HUD which was in April 2009.

The Assistant County Attorney stated that the Department of Community Affairs requires the contract with Habitat for Humanity be for one year.

Mr. Mansfield stated that time is more of an issue. Money hopefully will work out, Some will come under bid and some will come over. In two weeks 10 homes are out for bid. There is a clause that if not done by a certain date per contract the contractor will then have to pay back Habitat for Humanity.

Staff stated that it took Department of Community Affairs nearly one year to allow the County to use the money and then six months to spend \$6.7 million. The County made a request for \$2.5 million for other projects: \$2 million for PGHA for their Phase 2 project and

\$500,000 for a start up of the Gift in Kind Program with United Way. Instead of answering the request, the Department of Community Affairs recaptured the money. It diminished the amount of money but the contract still has to be complete by their contract date.

The benefits of Habitat or some other entity doing the construction shortens the procurement process to 60-90 days versus 4 months it has been taking the County.

Mr. Sweeney agreed that is unfortunate that County's green initiative was not implemented with these properties. Mr. Ahrens stated that his question came from a citizen.

Staff reiterated that 25% of the funds must be used for low to very low income rentals.

Question: Who will administer the rentals?

The County is in the process of getting in the applications or qualifications from Not for profits. The intent is to turn rentals over to the PGHA. What individual or organization will handle it? Whoever takes the property will, the county will actual title them over to the whomever the receiving entity.

A couple of foundations who is expressed interested. First choice will be PGHA. The County not interested in operating or maintaining these properties.

Does the county have a contract with PGHA?

Interested not for profits were sent a package/letter requesting declaration of interest in the program. These properties must be for qualified households with some being up to 120% area median income, but the bulk of it is 80% or less.

There is a foundation in Englewood that has expressed interest; they've been in existence for four years. We hope PGHA will also be interested. We are waiting for responses for all categories.

- 5. Hurricane Housing Grant:** The County Attorney's Office ran the required advertisement posted it on the County webpage. One application was received. Before we get to that application, Ms. Helber has expressed that she is unhappy with the process and that she did not receive a direct invitation to respond. The Committee needs to deal with that first. The choices are to review the application received or we would have to start all over again with a new advertisement.

Mr. Sweeney stated that he needed to disclose as a member of this committee that he is under contract with the applicant. He was the County's housing manager from 2001 to 2004. In 2008 he started

his own consulting firm. Lifelink Charities is a client of that firm. He is representing his client, Lifelink Charities, located in Chicago who is looking for affordable housing opportunities in other counties. He had advised them to submit an application and thought it would be the only application. He stated that he thought they had financing but unfortunately he was not aware of which bank they were using. It was Fifth Third Bank and it has proven to be difficult to get the necessary loans. He did talk to the County Attorney after determining his relationships and agrees that he is not allowed to vote on this item as per the county attorney office. (Abstaining from voting)

Ms. Helber stated that she was disappointed the way notification given. PGHA has expressed an interest in these funds and thought that Florida Housing Finance Corporation (FHFC) would allow for redirection of these funds and felt they were to be informed of the availability of the \$1.2 million. She felt that she would be notified as county was aware that the PGHA was looking for funds for a \$1 million gap in their financing. There was no communication with the PGHA. She stated that she was not sure if the rest of the committee was informed. She was pleased that the Housing Division is considering postponing any action on these funds to allow the PGHA to submit an application. She expressed that she intends to speak FHFC asking to mandate that the County seek an extension of this grant and that they redirect the money to Charlotte County and to reconsider that the project must be built and occupied by June 30, 2011. FHFC knows that's impossible. Charlotte County should protest against mandate vigorously. Charlotte County received HHR to replace lost units.

Ms. Helber continued, by the end of 2008, Charlotte Crossing was not able to be completed. FHFC has extended this grant 3 years for completion. Then in the last six months Charlotte Crossing determines it does not need \$1.2 million. Other projects couldn't satisfy the mandates to finish in one year and have it occupied also. FHFC does not respond to one voice but multiple voices are not ignored, they can be heard. PGHA recently went to Tallahassee with other Housing Authorities to speak about unfairness of the lottery system and the tax credits. They are making adjustments and listening to those comments. PGHA will write a letter to FHFC speaking strongly against the mandate they have place on hurricane funds. I urge this committee to help support our effort for affordable housing in this county and draft a resolution send it to FHFC to express your indignation at the mandate they've placed on the expenditures of these funds. Take your suggestions to the Charlotte County Commissioners so they can adopt this same resolution.

Mr. Sweeney offered that he is sure that Charlotte Crossing is not going to have occupancy, not even one unit will be occupied by July 1<sup>st</sup>, 2011. It is a requirement FHFC made when extending

those HHR funds, for rental housing. My efforts to get Lifelink funded is to show the County that since Charlotte Crossing will not be able to be completed by July 1<sup>st</sup>, then they will show the County that there is another applicant for the excess funds. FHFC will need to grant Charlotte Crossing another extension. I know Bob you wanted to use funds for rehab, but that will be difficult since the loss Housing Corporation. I think FHFC will have to grant another extension for Charlotte Crossing.

Mr. Hebert stated that his understanding is that the FHFC deadline is by legislative statute and the extensions are for the benefit of Carlisle Development.

Mr. Sweeney: I have gone to FHFC meeting as often as I can and was at a meeting not too long ago. The President of Carlisle stood before that Board

Ms. Helber stated that the alternative is post Ad again with no deadline, and communicate that they can submit incomplete application.

Mr. Hebert stated that the County can't run ad like that as supported by the County Attorney.

Mr. Mansfield stated: Two people from two different organizations, in front of County's Attorney and County Administration stating that they have no intention of completing according to the deadlines of the grant.

Mr. Sweeney stated: If you can use for housing rehab between now and July 1, 2011 then use it. But you can't then recognize there are two potential applications that will participate in the universal cycle on February 2011 and let's see what happens?

Mr. Hebert: We will resend the advertisement by next week, so both can participate.

Mr. Sweeney: Use much as you can for single family rehab

Ms. Helber: It has to be rental.

Mr. Sweeney: It doesn't have to be for rental; the Board of County Commissioners has the option to divert the funds from one line item to another. So they can convert funds from rental to housing rehabilitation. You can do your advertisement for housing rehabilitation and come February, March or April if of the \$1.2 million have not been expended, then you place an ad how much is available and let us go for it.

Mr. Hebert: or the third choice is not do anything about it and sent the money back. I would bet we can get Rehab can be done by June 2011.

Mr. Sweeney: Charlotte Crossing has not picked up their building permit yet.

Ms. Helber: I would encourage posting notice again. We will be applying and we would provide a timeline. We can't guarantee money will be here by June 30, 2011 & leave it to the developers to do their politics at FHFC.

Mr. Hebert: You just told us before you're not going to know if you got the lottery till you do the application in November next year. If you did get your application funded how much short is your project?

Ms. Helber: We do have the money and we already have \$4.5 million and are waiting for tax credit from FHFC. We've just aren't successful with the tax credit application yet. We do have the assets, we just need financing from FHFC.

Mr. Sweeney: It's very competitive, The PGHA application had the maximum number of points, perfect score, and then it was assigned lottery number. Then the Lottery # was picked. The PGHA #122 did not get funded. The Lifelink application will be for HOME funds, federal funds, we're not competing with PGHA only in market, only one of is going to win.

**MOTION: Ahrens/Melanson: To deny consideration of this application and to re-advertise for these funds availability next week: Passed**

Mr. Sweeney: The Lifelink submitted application does not meet the requirements for financial backing yet & PGHA would not have the adequate financial until we go thru process in April/May of next year. We will then know if project will be approved. These funds can be used for Rehab if the Board of County Commissioners directed to divert funds from rental construction to homeowner rehab. If you can spend the \$1.2 million between now and then, fine. Otherwise, if there is any money available then make it available for rental housing and let's see who does what in the universal cycle.

Question: Are the HHR funds to be used for senior rental housing?

Staff replied that the restriction was put on by the previous proposals funded for the Charlotte Crossings project because of the Deep Creek Homeowners Association did not want low income housing. They mandated that it was to be for senior housing. Carlisle agreed. Marion Manor is not senior housing project and these funds funded a number of projects not for seniors or for rentals.

Discussion: Do we have a need for rental properties right now?

Ms. Helber: the PGHA has waiting list of 2 years for public housing and 5 years for section 8 voucher program.

Staff reported that the Housing Management Report shows occupancy rates average for each apartment complex reported to us. Marion Manor almost half occupied. Some have management issues, some drug issues. People are leaving and searching for other places to go because of crime and drug issues. Occupancy rates for most complexes are at 91 to 98 percent occupied.

Ms. Helber: The PGHA is different from other affordable housing, we offer subsidized rent. Renters pay one third of their income.

Commissioner Duffy: There was a priority change that was to get away from rental properties and to encourage homeownership two years ago.

Staff: to get them off the inventory to start more construction. The problem now with that philosophy is that banks are not cooperating. You need to have a credit score of 670+ to get financing. This was before the economic crisis and before the bailout. Before they financed people who credit score 320 to 340. Most of our Low to Moderate Income Clients do not have that high of a credit rating. That's why they're going to credit counseling and doing a lot of other things. If you can't finance them then you end up like the Housing Corporation with 19 homes that are leased optioned.

Ms. Bala: Banks are so tight right now.

Mr. Mansfield: There's still a need for homeownership.

Bob: Proposal – low income rental and rehab.

Staff stated that the Annual SHIP Report needs to be recommended for Board of County Commissioner action.

Discussion: Annual SHIP Report is it public record, it list name and address. Some that were assisted were victims of domestic violence and their residences should not be disclosed. Some were 10-15 law enforcement people.

Assistant County Attorney: There is a statute that if somebody request it that their address not be disclosed it should be honored. However, this has to be made known to the County by the agency performing the services. We received no such requests. With just receiving the list of clients there is no way for the County to know who they are or if they are able to be considered for protection.

The problem then lies with the agency to notify the County of the need to protect an individual.

**V. Public Comments: None**

Ms. Helber asked for a resolution to be sent to the FHFC protesting the mandate they've placed on the expenditures of these funds. Staff responded that a resolution is a Board function and it wouldn't come out of this committee; they can only recommend it to the board.

**VI. Member Comments: None**

Mr. Sweeney: mark it, that I am abstaining from voting on the HHR funds.

**VII. Next Meeting Date:** Discussion for quarterly meeting. Committee members expressed the desire to meet bi-monthly rather than quarterly. A quorum is always a problem with this Committee. The place and time to be determined. There are opening for this Committee 3: Home Building Industry, for-Profit Provider; Charlotte County Essential Service Personnel. All are posted through the Board Office.

**VIII. Adjournment:** The meeting was adjourned at 11:24 am.