

October 25, 2006
Milton, Florida

Present: Chairman Jerry Burden and members Diane Collar, Cindy Cotton, Oakland Ard, Chrys Holley, and Michelle Parker. Also present were Hunter Walker (County Administrator) and Tony Gomillion (Public Services Director).

Approval of Minutes

Cotton moved approval of the minutes from the September 6, 2006 meeting; Parker seconded, and the motion carried unanimously. (6-0)

Committee Overview-County Administrator

Walker said he appreciates the SHIP Partnership moving the meeting location to the Administrative Complex. He said this committee, through the years, has served as Santa Rosa County's affordable housing committee. Walker said all meeting will be recorded, streamed, archived, and available the same as any other committee of the Board of County Commissioners. He reminded all committee members that they are subject to the Florida Open Meetings and Florida Sunshine Law Provisions. Walker said he will have the County Attorney send each committee member a memorandum on the Florida Sunshine Law and how these laws relate to public meetings. He said the County is currently trying to retain a Housing Program Manager. Walker said the County is working with West Florida Regional Planning Council on the existing programs and future programs. He said it is important to decide on a regular meeting date for this committee.

SHIP/HHRP Status Reports-West Florida Regional Planning Council (WFRPC) staff

Burden requested an updated status report on both SHIP and the Hurricane Housing report. Walker said the Hurricane Housing and SHIP reports were distributed to everyone (Attachments in file).

Kathy Ahlen discussed the SHIP report. She said SHIP has been an ongoing program. Ahlen overviewed activities occurring from July 2005 to July 2006. She discussed the following four areas of SHIP:

Substantial Rehabilitation

Ahlen said this strategy assisted fourteen families in the past year. She said there are four homes currently under construction and six homes out to bid.

Moderate Rehabilitation

Ahlen said this strategy assisted thirty two families in the past year. She said there are currently two homes in progress.

First Time Homebuyer

Ahlen said this strategy assisted forty six families in the past year.

New Construction

Ahlen said this strategy assisted nine families. She said there are two homes in progress.

Burden asked Ahlen the dollars remaining for each of the categories. Ahlen said she has figures but did not provide them because some calculations are still being processed. She asked Burden if he would like to know the amounts she currently has figured. Burden said he would like the figures, even though they are ball park figures. He said he felt it is incumbent for the committee to know where each category stands. Ahlen said she has a balance that includes what has been encumbered and an unencumbered balance. She said she will disclose the unencumbered amounts, which means some of the funds are committed. Ahlen said the unencumbered balance for each category is as follows:

Substantial Rehabilitation \$1,021,673.00
Moderate Rehabilitation \$ 450,558.00
First Time Homebuyer \$ 237,570.00
New Construction \$ 80,000.00

She reminded the committee members that the figures are only approximate and include the new funding year. Burden said it is his understanding these figures include 2006-2007 budgeted dollars. Ahlen said that is correct. Burden said he would like the figures updated for the next meeting. Walker asked how much of the figure was included in the fiscal year beginning July 1. Ahlen asked Walker if he is talking about the allocation for 2006-2007. She said SHIP allocated the following amounts for each strategy:

Substantial Rehabilitation \$609,251.00
Moderate Rehabilitation \$242,704.00
First Time Homebuyer \$190,391.00
New Construction \$100,000.00

Parker asked what period of time the Substantial Rehabilitation balance of \$1,021,673.00 goes through. Ahlen said \$609,251.00 is the new funding year. She said there is \$423,000, plus or minus, from the 2005-2006 funding year. Ahlen said she does not have a balance left from the 2004-2005 funding year.

Collar said she has two requests. She said the first request is on the Moderate Rehabilitation Program. Collar said currently the limit is \$10,000.00 per house. She said she would like for the committee to consider increasing the limit. Collar said prices have gone up substantially. Ahlenagreed. She said the committee can recommend raising this amount to the Board of County Commissioners. Collar said she would like to recommend the committee increase the amount to \$15,000.00 per dwelling. Burden asked Collar to bring this item up under "Other Business."

HHRP Construction Development/Finance Proposals

Kevin Wagner discussed the Hurricane Housing Recovery Program (HHRP) Summary- October 2006 (Attachment in file). He said the Hurricane Housing Recovery Program was implemented post Hurricane Ivan to rebuild housing. Wagner said the total allocation for the County was a little over \$14,000,000.00. He said total project money was a little over \$12 million. Wagner discussed each strategy as follows:

1. Reconstruction

Wagner said this strategy was originally named Reconstruction and or Demolition Replacement. He said at the last meeting the committee renamed the strategy to Reconstruction only. Wagner said currently there have been four homes completed, expending over \$339,050.00. He said WFRPC is in the process of building eighteen homes at this time, which encumbers over \$1,243,500.00. Wagner said HHRP recently bid out an additional six homes, and these bids were due October 18, 2006. He said \$100,000.00 per home is estimated as the maximum allowed, and this is why \$600,000.00 is encumbered. Wagner said most construction has been around \$80,000.00. He said hopefully they can include another home or two. Wagner said \$100,000.00 per home has to be encumbered for accounting purposes. He said currently there is \$817,450.00 not encumbered, but there are applications in the process to meet this amount. Wagner said the amounts will not be encumbered until the projects go out to bid.

2. Emergency Repair

Wagner said this strategy has the most requests. He said this was through the reduction of money to Rebuild Northwest Florida, reduced from \$1.125 million to \$725,000.00. Wagner said \$500,000.00 was allotted to USDA Rural Development and the other \$225,000.00 to Rebuild Northwest Florida. He said \$323,866.65 has been successfully spent on twenty two dwellings and or families. Wagner said currently through encumbered funds with USDA Rural Development and Rebuild Northwest Florida, \$266,438.62 has been encumbered on twenty families and or dwelling units. He said roughly \$136,000.00 is not encumbered. Wagner said this money will be though Rebuild Northwest Florida. He said \$90,000.00 is encumbered and the remaining allocation is not encumbered at this time. Wagner said these figures are estimates. He said USDA Rural Development does not have \$4,937.65 encumbered.

3. Home Purchase Assistance

Wagner said this strategy was implemented by WFRPC. He said this strategy allowed up to \$25,000.00 in a soft second mortgage to eligible HHRP families. Wagner said through the last SHIP meeting the allocation was raised from \$775,000.00 to \$875,000.00. He said this increase was approved by this committee and the Board of County Commissioners. Wagner said forty seven families were assisted.

4. New Construction

Wagner said this contract is held with Habitat for Humanity in Pensacola. He said their total allocation is \$1.2 million, and they have a contract for the full amount. Wagner said since the time of the HHRP document, Habitat for Humanity has spent an additional \$30,000.00 or \$120,000.00 for four families. He said they submitted the last invoice for the family today.

5. Volunteer Based

Wagner said this strategy is to assist with volunteers purchasing material through previous discussions. He said with the lack of volunteers available, this strategy has not been implemented. Wagner said there have been discussions with United Way and Santa Rosa County about possibly implementing this strategy. He said a contract has not been signed. Wagner said discussions are underway to try to find a way to utilize the \$250,000.00 allocated for this strategy.

Burden asked if the Volunteer Based Strategy is a requirement in the plan or if it is something that was elected. Wagner said this strategy was elected. He said there are requirements to have a certain percentage of money go toward non-profits called community collaborative. He said excluding this amount, there is \$1.7 million in the community collaborative aspect working with non-profits. Wagner said the requirement is \$2.1 million. He said he does not see a problem reaching this goal based upon future work and allocations. Burden said in future discussion, the committee may think about trying to move those dollars. He said he does not want for those dollars to sit unused. Wagner said staff agrees.

6. Construction Development

Wagner said this strategy has a total allocation of \$3.5 million. He said in the last SHIP Partnership meeting there were proposals, and the proposals were recommended to the Board of County Commissioners. Wagner said the first signed contract is with Community Enterprise Investments Inc. (CEII), and they were encumbered for \$500,000.00 to build ten homes in Santa Rosa County. He said the second contract is with Affordable Housing Solutions in the amount of \$750,000.00 to build fifteen modular style units in Santa Rosa County. Wagner said the third contract is with Crawford-McBride in the amount of \$150,000.00 to build three homes in Santa Rosa County; the allocation is \$50,000.00 per home. He said Request for Proposals were issued for \$2.1 million which is the rest of the allocation. Wagner said responses were due October 13, 2006 and four responses were received.

Wagner said he does not have the listing on each proposed construction project. He said he can provide this information to each committee member. Wagner discussed the locations of each development. Holley said she would like to know where these homes are being constructed. Wagner said he will provide Holley with the address information on these projects.

7. Rental Development

Wagner said several months ago The Carlisle Group was awarded the \$2 million allocation through an RFP. He said they were the only respondents. Wagner said The Carlisle Group was awarded this allocation and have signed contracts. He said their projects were a total of 226 rental units. Wagner said their projects are in three phases. He said his discussion with The Carlisle Group informed him that they have started ground work on the first project.

Holley said she would like to know the location of this construction. Wagner said he will provide Holley with address information on these projects.

8. FEMA Mobile Home Owner

Wagner said this strategy is the FEMA mobile home purchase assistance for property owners who were displaced after Hurricane Ivan. He said this strategy is a newer one and was approved and implemented by the WFRPC through the SHIP Partnership and the Board of County Commissioners. Wagner said \$587,892.00 was allocated for this strategy. He said WFRPC contracted with United Way to provide case management to help individuals with the paperwork process and other assistance. Wagner said the strategy has helped thirteen families who were property owners at the time of Hurricane Ivan, expending \$116,350.77. He said this number has increased since this document was produced.

9. FEMA Mobile Home Grant

Wagner said this strategy is much like the previous strategy. He said this money was for individuals who were renters at the time of Hurricane Ivan and lost their rental unit. Wagner said the total allocation of this strategy is \$100,000.00. He said WFRPC is working with United Way on this strategy and to date they have approved the purchase of FEMA mobile homes for ten families who resided in rental units at the time of Hurricane Ivan. Wagner said the total amount spent is \$17,831.27. He said he felt the number has increased since this document was produced.

10. Utility Deposits/Security

Wagner said at the last SHIP Partnership meeting, the committee added the term "initial rental assistance." He said the original strategy was for utility and security deposits. Wagner said through discussions with United Way and Santa Rosa County, help was needed with initial rental and security deposits. He said this term has been added. Wagner said the total allocation of this strategy is \$150,000.00. He said at the time of this document, this strategy had helped two families totaling \$1,700.00. Wagner said this amount has increased slightly since the time this document was produced.

Wagner said this is the overall update of the HHRP Program. He said the final page of the HHRP Summary shows amounts expended, encumbered, and the total amount unencumbered at this time.

Burden asked Wagner to give a brief overview of what was received and what happened with the RFP responses. Wagner said these responses were based on the Construction Development Strategy to produce affordable based housing for individuals when the market is not producing them. He said post Hurricane Ivan the construction costs and labor costs increased substantially and this strategy was implemented to provide housing for affordable workforce and areas less than 100% AMI. Wagner said the RFP was issued for six weeks for a total amount of \$2.1 million. He said four responses were received and they are listed below.

1. Community Enterprise Investments Inc. (CEII) requested \$1,070,000.00 for the construction of twenty site built homes in the County for individuals at the 80% area median income or just below. Wagner said \$1 million is for project money and \$70,000.00 for administrative capacity grant.

2. Carmel Ridge LLC requested \$1 million for the construction of twenty single family homes. He said this property is the FEMA mobile home park located behind David's Catfish. Wagner said Carmel Ridge was proposing for individuals below 80% of area median income. He said they initially stated in their proposal they would work with teachers, firefighters, and other groups in the workforce housing category.

3. Affordable Housing Solutions of Northwest Florida submitted a proposal not indicating the total amount of their request. Wagner said they indicated \$50,000.00 per subsidy with an unknown total number of units to be produced. He said modular style duplex homes were the type of construction targeted. Wagner said they also stated they would work with teachers, firefighters, and other groups in the workforce housing category.

4. Tri-Star Custom Homes submitted a proposal for \$1,250,000.00 for twenty five units. Wagner said Tri-Star Custom Homes is currently building a subdivision and in the planning process. He said this company wants additional funding for pre-development costs and or infrastructure.

Wagner said staff's recommendation through discussion with Walker and Burden is to reject all proposals. He said there was an increase in construction and labor costs so the homes were higher priced. Wagner said now the market is moving back to this area.

Burden said he will bare the responsibility for making the recommendation to not accept the four RFP responses. He said after reviewing strategy #3 and #4, he felt the committee may not be focusing on the strategy as much as the committee is focusing on the time frame left to utilize the money. Burden said he felt it is time for the committee to revisit the strategies before the \$2.1 million is allocated or committed. He said he wants to make sure the committee is maximizing the use of the money. Burden said this is why the recommendation to not accept the proposals came forward. He said he anticipates the beginning of a process to look at the strategies and have a discussion. Burden said he felt today's meeting is not that meeting. He opened up discussion as to the recommendation to staff to not accept the 4 proposals at this time.

Cotton asked if there is anything else the committee is looking for. Burden said strategy #3 says HHRP funds will be made available in support of purchase of existing or newly constructed affordable housing. He said those existing units have to be newly constructed units. Burden said there is an inventory of houses in Santa Rosa County that may fit that category versus using all of the funding for infrastructure costs that in two years time may be passed to the end user. Cotton said the houses that fall into the affordable housing category are selling. She said these are the items selling easily, and they do not last on the market. Burden asked if these homes are eligible for purchase under the programs offered through strategies. Cotton said she felt they would be. Burden said some money should be left available to purchase existing new homes.

Other Business

Collar said she has noticed a significant increase in costs associated with repairs. She said her office is seeing a lot of people

who have not fixed their homes after Hurricane

Dennis. Collar said she is finding out the Moderate Rehabilitation Emergency Repair is not going quite as far as it once did. She said she recommends an increase to \$15,000.00 per unit instead of the \$10,000.00 per unit in order to make these houses structurally sound and adequate. Burden asked the criteria for application. Collar said low income, 80%, home ownership, and the repairs must be for something structural in the home (roof, electrical, septic tank, etc).

Collar recommended increasing the funding limit from \$10,000.00 to \$15,000.00 per unit under the Moderate Rehabilitation Emergency Repair; Parker seconded, and the motion carried unanimously. (6-0)

Collar said currently insurance is not an allowable cost under the strategy that helps people purchase homes with down payment and closing costs. She said the first year of insurance for homebuyers is costly. Collar said people can not come up with money for their first year's insurance. She said other counties allow this expense in their SHIP closing cost assistance. Collar said she recommends this same allowance in Santa Rosa County.

Cotton said \$7,500.00 is a very gracious amount towards closing cost and down payment assistance. She said as a realtor, normally fees for a survey and 1/2 of the cost of a title search equal the cost of the homeowner's insurance. Cotton said she normally puts these two costs on the buyer side and asks the seller to pay for the homeowners insurance. She said she has not had a transaction fail when it is done this way. Cotton said she felt the \$7,500.00 is sufficient when handled in this manner. Burden said on the loan side there are the same title insurance costs, doc stamps, and tangible tax. He said the only cost that is shared is the title insurance. Cotton said it has to be negotiated. She said she has not found a home seller not willing to pay for the one year of hazard insurance in advance when traded off for costs that SHIP does allow. Collar said she wants more flexibility in the program so that if the buyer had to purchase their own homeowner's insurance it would be allowed under SHIP instead of having to massage the contract. Burden said there is roughly \$237,570.00 left in the First Time Homebuyer's Program. He asked Collar what the average down payment request is. Collar said with Rural Development her average down payment request is usually \$1,000.00. She said Rural Development usually does 100% financing. Collar said the problem is with closing costs. She said when she asks for money out of the First Time Homebuyers Program she asks for approximately \$2,500.00 per family, but the family still has to come up with their own first year homeowner's insurance policy.

Ahlen said the First Time Homebuyers Program currently allows certain closing costs and down payment assistance up to \$7,500.00. She said Santa Rosa County can change this to allow homeowner's insurance. Ahlen said insurance has increased and is a real issue with all SHIP Administrators throughout the State of Florida.

Burden asked Collar if she wants to increase the down payment assistance or allocate a set dollar amount to be used as allowable closing costs. Collar said she is not suggesting the \$7,500.00 per family be increased. She said she does not want to put an exact amount on the insurance. Collar said she is proposing the insurance be allowed as one of the allowable closing costs SHIP will pay.

Collar recommended homeowner's insurance (no limit) be part of the allowable SHIP closing costs for the First Time Homebuyer's Program to take effect immediately and the closing cost limit of \$7,500.00 remain in effect; Cotton seconded, and the motion carried unanimously. (6-0)

Wagner said at the SHIP committee meeting in September the Chairman asked committee members to forward any possibly new members to Kathy Allen or myself. He said Cotton forwarded the name Robbie Foster from Tri-Star Builders, LLC. Wagner said Diane Collar cleared up the confusion of the name "Blackie" Black which should be Lester Black. He said Collar's recommendation is "Blackie" Black or his daughter Kelly Black. Wagner said Bobbie Musselwhite resigned from the committee. He said with Lester Black there are only nine members and the committee should have ten members. Burden said Lester Black has never attended a meeting. Someone asked if Lester Black even knows he is on the committee. Burden said he thought the name "Blackie" Black was brought up to serve as a committee member. He said this was a couple of years back.

Next Meeting/Adjournment

Burden said he wants to set a time for regular meetings. He said the committee has a lot to deal with, and he felt the committee should meet regularly. Burden said he felt the committee needs to meet monthly. The committee members agreed to the second Wednesday of each month.

Walker said the next meeting will include discussion of the overall strategy. He said Wagner had some thoughts and ideas at the end of his report. Walker said the committee will meet on November 8, 2006 and then on December 13, 2006 at 3:00 p.m. There was discussion on whether or not the committee will vote on new members. Burden said this can be discussed at the next meeting. Cotton said both Robbie Foster and "Blackie" Black build a high volume affordable home. She said they are up to date with the cost of materials. Cotton said Kelly Black would also be good. She said Kelly works side by side with her dad (Blackie Black) and is also a realtor. Walker said there may be some conflict with members if they participate in the SHIP Program. He asked if members are able to continue bidding on SHIP projects if they are members of the SHIP committee. Walker said he will talk with Dannheisser about specific conflict regulations, and this can be discussed at the next meeting. He said staff will contact Lester Black to see if he is willing to serve on the committee.

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