

**Item # 59 (5)**

**ADDITIONAL MATERIAL  
Regular Meeting  
SEPTEMBER 25, 2018**

**SUBMITTED AT THE REQUEST OF**

**Dr. WAZIR ISHMAEL  
CITY MANAGER  
CITY OF HOLLYWOOD**

Vital to a sustainable and prosperous future for Broward County, including the City of Hollywood, is an emphasis on initiatives that support affordable housing, neighborhood revitalization, and economic development measures. Over the past three years, the City of Hollywood has worked closely with Broward County on an Interlocal Agreement which would allocate a portion of monies that would otherwise be paid to the Hollywood Community Redevelopment Agency (CRA) Beach District as a tax increment funding to support the above measures in the City at large. The City is appreciative of the support on this innovative endeavor, which would be the first of its kind in Broward County, and quite possibly the State of Florida. As both the City and County have benefited tremendously from the overall success of the CRA Beach District, it is our fiduciary responsibility to utilize unexpended dollars to address and overcome slum and blighted conditions that continue to persist outside of the CRA Beach District.

The City is in receipt of several proposed amendments from County Commissioners regarding this Interlocal Agreement. The City Staff has thoroughly reviewed and considered each of these proposed amendments and would like to offer formal responses and proposals (where applicable) on each.

Proposed Amendment to Exhibit 1 by Commissioner Steve Geller (Words in struck-through type are deletions from proposed text. Words in double underscored type are additions):

***EXHIBIT 1***  
***Affordable Housing Programs***

*Affordable Housing Programs are programs that (1) are wholly located within one or more LMI Areas (as defined below), and (2) consist entirely of one or more of the following types of expenditures:*

- 1. Rehabilitating existing LMI Area residential property, subject to restrictive covenants requiring that the affordability of the residential units be maintained for a period of at least fifteen (15) years*
- 2. Affordable/workforce LMI Area housing programs (including home repair and purchase assistance)*
- 3. First-time LMI Area homebuyer assistance programs*
- 4. ~~Actual expenses for planning, designing, or implementing horizontal infrastructure (i.e., drainage, wastewater, water supply, solid waste, lighting, paving, bridges, roadways, canals, or transportation in LMI Areas~~*
- 5. ~~Work skills programs that enable residents to apprentice on projects and gain new life skills~~*
- 6. Other affordable housing programs approved in writing by County Administrator*

In response to these proposed amendments by Commissioner Steve Geller, the City of Hollywood offers the following response and proposal (Words in struck-through type are deletions from proposed text. Words in double underscored type are additions):

**EXHIBIT 1**  
**Affordable Housing Programs**

*Affordable Housing Programs are programs that (1) are wholly located within one or more LMI Areas (as defined below), and (2) consist entirely of one or more of the following types of expenditures:*

1. *Rehabilitating existing LMI Area owner-occupied or government- or CRA-owned residential property, subject to restrictive covenants requiring that the affordability of the residential units be maintained as follows:*

<i><u>Owner-Occupied Assistance Investment</u></i>	<i><u>Minimum period of affordability in years</u></i>
<i><u>Under \$15,000.00</u></i>	<i><u>5</u></i>
<i><u>\$15,000 to \$40,000.00</u></i>	<i><u>7</u></i>
<i><u>Over \$40,000.00</u></i>	<i><u>10</u></i>

*Rental/investor-owned residential property, subject to restrictive covenants requiring that the affordability of the residential units be maintained as follows:*

<i><u>Rental Housing Investment</u></i>	<i><u>Minimum period of affordability in years</u></i>
<i><u>Under \$15,000.00</u></i>	<i><u>5</u></i>
<i><u>\$15,000 to \$40,000.00</u></i>	<i><u>20</u></i>

2. *Affordable/workforce LMI Area housing programs (including home repair and purchase assistance)*
3. *First-time LMI Area homebuyer assistance programs*
4. *Actual expenses for planning, designing, or implementing horizontal LMI Area infrastructure, limited to improvements to sidewalks, alleyways, streets, lighting, and drainage, septic to sewer connection assistance, and transportation/traffic calming improvements*
5. *Work skill programs that promote greater skill and employment opportunities with higher wages*
6. *Other LMI Area related programs approved in writing by County Administrator*

The City recommends not to exclude rental/investor-owned properties that provides affordable rental housing as noted above. Doing so would limit flexibility. In order to truly address slum and blighted conditions that may exist in LMI Areas, it is imperative to provide rehabilitation opportunities to all properties regardless of their ownership. The City also recommends the ability to improve horizontal infrastructure within LMI Areas. While making improvements to individual buildings and parcels are important, the benefit of horizontal infrastructure improvements is the advantage of providing neighborhood or area wide improvements as opposed to strictly parcel-specific improvements. Further, the City recommends allowing funding for work skill programs in order to enhance the skill levels of residents and inevitably stimulate higher wage employment opportunities. With higher wages, it is our hope to encourage residents within LMI areas to make their own private investments in their properties in conjunction with that of the public investments.

Proposed Amendment to be included in the Interlocal Agreement by Commissioner Nan H. Rich (Words in struck-through type are deletions from proposed text. Words in double underscored type are additions):

*Notwithstanding any other provision of the Agreement, forty five percent (45%) of any County Contribution and any Affordable Housing Funding otherwise due to be paid by the County to the City under this Agreement shall be deposited by the County into the Broward County Affordable Housing Trust Fund (created by County Charter or County ordinance) and reserved for subsequent expenditure by the County to create new affordable housing product within the City, and the remaining portion of the County Contribution or Affordable Housing Funding (i.e., fifty five percent (55%) shall be paid by the County to the City).*

In response to this proposed amendment by Commissioner Nan H. Rich, the City of Hollywood offers two proposal options to Section 2.3.3 of the Interlocal Agreement (Words in struck-through type are deletions from proposed text. Words in double underscored type are additions):

Option #1:

*2.3.3 County Affordable Housing Contributions. On or before December 1 of each year, the City shall invoice the County for an affordable housing contribution (“County Contribution”) in an amount equal to the Set Aside Amount, provided that no invoice shall exceed twenty-five percent (25%) of the County’s TIF Obligation for that year. The County shall pay the County Contribution to the City on or before December 31 of that year. Taxing Authorities other than the County shall have no obligation to repay or contribute any portion of the Set Aside Amount to the City or the CRA and may utilize the retained monies for any purposes otherwise permitted under law. The County may retain and utilize for its general revenue purposes any portion of the Set Aside Amount that exceeds 25% of the County’s TIF Obligation for that year. All County Contributions are subject to the restrictions on use and accounting stated in Section 2.5.*

*Any portion of the Set Aside Amount that exceeds 25% of the County’s TIF Obligation for that year and any Affordable Housing Funding otherwise due to be paid by the County to the City under this Agreement shall be deposited by the County into the Broward County Affordable Housing Trust Fund (created by County Charter or County ordinance) and reserved for subsequent expenditure by the County to create new affordable housing product within the City.*

Option #2:

*2.3.3 County Affordable Housing Contributions. On or before December 1 of each year, the City shall invoice the County for an affordable housing contribution (“County*

Contribution”) in an amount equal to the Set Aside Amount, provided that no invoice shall exceed ~~thirty-five (35%)~~ ~~twenty-five percent (25%)~~ of the County’s TIF Obligation for that year. The County shall pay the County Contribution to the City on or before December 31 of that year. Taxing Authorities other than the County shall have no obligation to repay or contribute any portion of the Set Aside Amount to the City or the CRA and may utilize the retained monies for any purposes otherwise permitted under law. The County may retain and utilize for its general revenue purposes any portion of the Set Aside Amount that exceeds ~~35%~~~~25%~~ of the County’s TIF Obligation for that year. All County Contributions are subject to the restrictions on use and accounting stated in Section 2.5.

Notwithstanding any other provision of the Agreement, twenty percent (20%) of any County Contribution and any Affordable Housing Funding otherwise due to be paid by the County to the City under this Agreement shall be deposited by the County into the Broward County Affordable Housing Trust Fund (created by County Charter or County ordinance) and reserved for subsequent expenditure by the County to create new affordable housing product within the City, and the remaining portion of the County Contribution or Affordable Housing Funding (i.e., eighty percent (80%) shall be paid by the County to the City).

Proposed Amendment to Exhibit 1 by Mayor Beam Furr (Words in struck-through type are deletions from proposed text. Words in double underscored type are additions):

*Low-to-Moderate Income Areas (“LMI Areas”) are defined as follows: Geographical areas (calculated on a block group basis) within the City in which more than half of the residents have an annual median income (AMI), adjusted for family size, that is eighty percent (80%) or less of the AMI for Broward County, Florida, as published by the Florida Housing Finance Corporation for the applicable year. In addition any census tract(s) where 16% or more of the population falls under the federal poverty rate shall be included. At this time these tracts are 912.01, 919.02, 904.01, 918.01, 905.04, 914.00, 917.02, 903.02, 904.03, 903.01, 911.00, 904.04, and 805.00.*

In response to these proposed amendments by Mayor Beam Furr, the City of Hollywood accepts this amendment and offers the following additional proposal in an effort to clearly distinguish the source of census block data through the life of this agreement (Words in struck-through type are deletions from proposed text. Words in double underscored type are additions):

*Low-to-Moderate Income Areas (“LMI Areas”) are defined as follows: Geographical areas (calculated on a block group basis) within the City in which more than half of the residents have an annual median income (AMI), adjusted for family size, that is eighty percent (80%) or less of the AMI for Broward County, Florida, as published by the Florida Housing Finance Corporation for the applicable year. Census block data shall be derived by the most recent available decennial census. In addition any census tract(s) where 16%*

*or more of the population falls under the federal poverty rate shall be included. At this time these tracts are 912.01, 919.02, 904.01, 918.01, 905.04, 914.00, 917.02, 903.02, 904.03, 903.01, 911.00, 904.04, and 805.00.*