

City of Clearwater

*Main Library - Council Chambers
100 N. Osceola Avenue
Clearwater, FL 33755*



Meeting Minutes

Tuesday, July 14, 2020

9:00 AM

Virtual Meeting

Main Library - Council Chambers

Neighborhood and Affordable Housing Advisory Board

Roll Call

Present 6 - Chair Peter Scalia, Vice Chair Gabby Camacho, Board Member Linda Kemp, Board Member Kevin Chinault, Board Member Carmen Santiago, and Board Member Camille Hebting

Absent 1 - Board Member Peggy Cutkomp

Also Present - Denise Sanderson – Economic Development & Housing Director, Chuck Lane – Economic Development & Housing Assistant Director, Patricia O. Sullivan – Board Reporter

Awaiting approval

1. Call To Order – Chair Scalia

The meeting was called to order at 9:00 a.m. Chair Peter Scalia, Vice Chair Gabby Camacho, Board Members Linda Kemp, Kevin Chinault, Carmen Santiago, and Camille Hebting attended the meeting using communications media technology. Also participating in the meeting were Economic Development and Housing Director Denise Sanderson, Economic Development and Housing Assistant Director Chuck Lane and Board Reporter Patricia Sullivan.

To provide continuity for research, items are in agenda order although not necessarily discussed in that order.

2. Approval of Minutes

2.1 Approve the June 9, 2020 Meeting Minutes

A scrivener's error was noted on page 5.

Member Hebting moved to approve minutes of the June 9, 2020 Neighborhood & Affordable Housing Advisory Board meeting as submitted in written summation. The motion was duly seconded and carried unanimously.

3. Citizens to be Heard Regarding Items Not on the Agenda: None.

4. New Business Items

4.1 Recommend City Council Approval of the City of Clearwater's FY2020/21 through 2024/25 Five-Year Consolidated Plan (Con Plan) and the 2020-2021 Annual Action Plan to implement the goals and objectives set forth in the Con Plan, as required by HUD.

The U.S. Department of Housing and Urban Development (HUD) requires communities that receive entitlement Community Development Block Grant Program (CDBG) and HOME Investment Partnership Program (HOME) funds to prepare a comprehensive planning document that evaluates the

needs of the community and sets forth strategies to address those needs.

The FY 2020/21-2024/25 Con Plan consists of: 1) -Executive Summary; 2) Process Overview; 3) Needs Assessment; 4) Housing Market Analysis; 5) Strategic Plan; 6) Annual Action Plan; 7) Citizen Participation Plan; and 8) Appendix

The Needs Assessment section of the Con Plan identifies Clearwater's communitywide housing and community development needs. Data from the Comprehensive Housing Affordability Strategy (CHAS) database and the U.S. Census Bureau's American Community Survey (ACS) database are referenced in this section. Additionally, this section is supported with feedback from several community meetings, data from the local Public Housing Authority and other documentation from Clearwater and its partners.

The purpose of the Market Analysis is to provide a clear picture of the environment in which Clearwater must administer its programs over the course of the Con Plan. In conjunction with the Needs Assessment, the Market Analysis will provide the basis for the Strategic Plan and the programs and projects to be administered. Most of the data tables in this section are populated with a default data set based on the most recent data available. Additional data has been obtained from various sources, including more current ACS estimates and local data from Clearwater and Pinellas County.

The Strategic Plan is structured around six goals in administering the City's housing and community development programs. Each goal is accompanied by corresponding objectives toward meeting that goal. These goals and objectives are: 1) Housing Goal: Provide availability and accessibility to decent housing to the low to moderate-income families within the city limits; 2) Homeless Goal: Help to prevent and reduce homelessness within the city Limits; 3) Non-Homeless and Special Needs Goal: Expand the accessibility and coordination of social services to the city's special needs population; 4) Community Development and Public Services/Facilities Goal: Enhance the living environment for persons in low to moderate-income areas through public improvements activities, public service programs and elimination of blight; 5) Economic Development Goal: Support programs that create economic opportunities throughout the city with special emphasis given to areas and persons of low to moderate-income; and 6) Disaster Response Goal: Provide assistance prior to, during and after a community emergency and/or disaster event to prepare for and/or mitigate loss, protect during an event, and aid with recovery.

The Strategic Plan also identifies four geographic priorities: 1) City-wide, Low- and Moderate-Income Local Target Area; 2) Lake Bellevue Neighborhood Revitalization Strategy Area (NRSA); 3) Downtown Gateway District NRSA; and 4) North Greenwood NRSA. The designation of a Local Target Area and NRSA's increases the potential for coordinated planning

and investment.

In addition, the City is required to create and implement a plan for each year of the Con Plan to identify the sources and uses of federal money for housing, community programs, and economic development. This plan, referred to as an Annual Action Plan, provides HUD with the City's housing and community development budget and proposed expenditures based on the entitlement funds and estimated program income that the City will receive in the upcoming fiscal year to meet the goals established in the Con Plan.

Funds are used to develop viable communities and sustain existing ones. In addition, the funds will be used to provide safe, decent and affordable housing to assist extremely low- to moderate-income households. This years' Annual Action Plan allocates federal funds to provide housing opportunities to extremely low- to moderate-income households for new and existing homes, construction and/or renovation of public facilities, and to fund public services and economic development programs.

Clearwater anticipates a total allocation of \$837,360 in CDBG funding and \$431,436 in HOME funding for FY 2020/21. CDBG program income is expected in the amount of \$665,000 and CDBG carryover funds from its Revolving Loan Program is expected in the amount of \$1,145,000. In addition, the City anticipates \$2,292,492 of carryover funds and approximately \$96,000 in program income from the HOME program. Funds provided through the CDBG Program may be used for housing, community and economic development, public services and facilities, acquisition, relocation, demolition and administration. Funds provided through the HOME Program are limited to housing-related activities and administration.

The City partners with several non-profit agencies to implement the goals and objectives the City has established in the Consolidated Plan. To obtain these partners, the City annually publishes a Notice of Funding Availability in the local newspaper and on its website in February. This notice informs the public of the resources the City will make available and the eligible uses of these resources. It also informs them of the application period for requesting funds. The applications were due on April 10 and the City received a total of 28 applications for funding.

A Technical Review Committee (TRC), comprised of professionals in the social service and grants community and a member of the City's Neighborhood and Affordable Housing Advisory Board (NAHAB), reviewed and ranked the applications. Applicants typically are given an opportunity to present their proposed projects at a NAHAB meeting; however, this meeting was cancelled due to COVID 19 restrictions. City staff also reviewed each application to ensure it met HUD's baseline requirements. One application was rejected due to an ineligible proposal and another was rejected due to lack of organizational and financial capacity. The NAHAB met on June 9,

2020 to approve the recommended allocations contained in the FY 2020/21 Annual Action Plan.

Each year the City may allocate up to 15% of its CDBG funds for Public Services activities. This year the City received requests for funding for public services in the amount of \$293,000, however based on HUD's formula, \$125,604 was available to fund 12 organizations. The NAHAB has endorsed a sliding scale funding system for Public Services applicants that dictates funding ratios based on the ranking. Utilizing a sliding scale ensures all approved and eligible applicants are funded. The Annual Action Plan also budgets \$496,291 in Public Facility improvements. Public Service and Public Facility projects support a wide range of community focused non-profit organizations, each having a mission in line with goals identified in the Con Plan.

The Consolidated Plan and Annual Action Plan are due to HUD on August 15, 2020. All organizations that will be receiving an allocation will have agreements prepared and executed by October 1, 2020. Staff will perform compliance monitoring with funded organizations on an annual basis. This item will be presented to the City Council on July 16, 2020.

Economic Development & Housing Assistant Director Chuck Lane provided a PowerPoint presentation. He anticipate the City would receive federal funds as budgeted. HUD waived its 15% cap on Public Services activities for this year and next year and required all funds above the cap to be used to prevent COVID-19 impacts. In response, the City partnered with four organizations to fund mortgage foreclosure counseling, fair housing, and tenant issues.

Mr. Lane said the selection process was highly competitive and reviewed the range of valuable services offered by applicants. Administrative costs mostly covered salaries and were funded by a percentage of entitlement allocations and a percentage of Program Income which is revenue generated from borrowers paying back loans. While the housing pool had approximately \$3,600,000, it was important to leverage those funds as constructions costs averaged \$200,000/unit. A change to the requirement for the City to set aside 15% of HOME funds for CHDOs (Community Housing Development Organizations) authorized the return of unused set aside funds to the City account. Clearwater has had some success funding CHDOs and will continue to consider projects as opportunities arise.

Member Chinault moved to recommend approval of the City of Clearwater's FY2020/21 through 2024/25 Five-Year Consolidated Plan (Con Plan) and the 2020/21 Annual Action Plan to implement the goals and objectives set forth in the Con Plan, as required by HUD. The motion was duly seconded and carried unanimously.

4.3 Staff update regarding the recent sale of Prospect Towers

Prospect Towers, at 801 Chestnut Street, is a 208-unit apartment community that historically has been reserved for senior living at affordable rates. The property was sold to a private investor on May 26, 2020.

Mr. Lane said a nonprofit previously owned Prospect Towers. Subsequent owners raised rents. Some residents used Section 8 housing vouchers. The Senior Citizen Services' \$350/month subsidy for 52 apartments was set to expire October 31. Land use restrictions attached to a 2012 City rehab loan, which was repaid, required 20 Prospect Towers apartments to remain affordable until 2042.

Mr. Lane said the new owner eliminated age limits, planned major renovations, and will transform Prospect Towers from affordable senior housing to market rate apartments. Leases up for renewal in October will be subject to \$50/month rent increases; rents for tenants receiving Senior Citizen Services subsidies will increase \$400/month. After renovations, most rents will be increased to market rate. The owner was reconsidering the initial statement that Section 8 housing vouchers would not be accepted. The owner planned to sell the property within 9 years to a long-term investor.

Mr. Lane said building management had communicated with each tenant re changes and the property manager had expressed a willingness to cooperate in locating new housing for priced out residents and provide some resources for tenant relocation. He expressed concern many tenants will not be able to afford to continue living there. The Clearwater housing community, foundations, and nonprofits had agreed to combine efforts to find solutions for those facing displacement. The City had no ability to require the management to accept Section 8 vouchers or retain age restrictions.

In response to a question, Mr. Lane said building management had rejected the City's offer to partner on some rehabilitation efforts to increase the number of affordable units. Staff has received feedback from concerned residents. He hoped more Section 8 vouchers would become available at the beginning of next year.

Gerald Tellin said he had lived at Prospect Towers for 9 years on the rental assistance program and wanted to know what will happen to him in October. He said he had not found another apartment. He said no one had contacted him and his calls to the Clearwater and Pinellas County Housing authorities were not returned.

Councilmember Beckman called in and recommended creative thinking on how the City could fill in some of the gap. She said the Appendix in the FY

2020/21-2024/25 Con Plan included important information. She invited anyone interested in pursuing creative ideas to reach out to her on the City Council Facebook page. She said officials from other cities and residents have shared ideas. She said a future Work Session item will consider the impending eviction crisis.

Discussion ensued with a suggestion that staff survey Prospect Towers residents receiving Senior Citizen Services subsidies re communications on the process, a comment that a County formed task force had worked to help Southern Comfort Mobile Home Park residents when it closed, a suggestion that a task force of agency representatives could brainstorm solutions for Prospect Towers residents, and a recommendation that the Board and City advocate an increase to the minimum wage which has caused many low-income housing problems and forced many residents to work multiple jobs.

5. Old Business Items: None.

6. Director's Report

Mr. Lane reviewed the City's rent, mortgage, and utility assistance program that complemented the County's program. While Clearwater's program had a narrow income level and provided funds to only 5 people, the program was a success as staff provided professional guidance to hundreds of callers seeking help. After the County eliminated program income caps last week and began approving all residents who could verify lost income, the City paused its program.

Mr. Lane reported Governor DeSantis had used a line item veto to eliminate all SHIP (State Housing Initiatives Partnership) funding in the midst of the pandemic. The State said the federal government would funnel money through the SHIP network to the City for rent, mortgage, and utility assistance. After receipt of those funds, the City will reopen its program without duplicating County efforts and market it to landlords and tenants.

On May 7, 2020, the City Council established eligibility criteria for Clearwater's Back to Business Grant & Professional Services Program (Phase 1) via Resolution and appropriated \$3,500,000 from the General Fund Reserves and \$492,592 from the federal CARES Act (CDBG-CV).

The Back to Business Program yielded approximately 275 approvals of "Brick & Mortar" applications and 0 approvals of "Home-Based" applications. Approximately \$1.5 million was encumbered, including distribution of \$3,000 "Quick Pay Grants" and set-aside funds for Professional Services of up to \$1,000 per approved applicant, Post-Professional Services Grants of \$2,000 each and 10% administrative fees to City partner agencies (AMPLIFY Clearwater, Prospera and Tampa Bay Black Business Investment

Corporation).

Resurgence of community COVID-19 cases created additional financial stress. To mitigate these financial pressures, staff recommended: 1) Immediate issuance of \$2,000 grants to 275 +/- approved Brick & Mortar businesses (formerly known as Post-Professional Services Grant) and 2) Professional Services of up to \$1,000 per business through City partner agencies which would receive a 10% administrative fee.

Staff recommended to City Council a pause in the Back to Business Program until the City could fully evaluate funding that may be received by non-City sources.

Economic Development and Housing Director Denise Sanderson reviewed the City's Back to Business Program. If the City Council approves a pause, staff will revisit the program in August. The City then may piggyback with the Hillsborough County and City of Tampa contracting service to outsource the application process. Some Pinellas County funding will be directed to creative arts, minority diversity programs and micro enterprises that did not receive federal allocations. The City may receive an allocation in the next stimulus bill to offset COVID-19 related costs.

7. Board Members to be Heard: None.

8. Adjourn

The meeting adjourned at 10:05 a.m.

Chair
Neighborhood & Affordable Housing Advisory Board

Attest:

Board Reporter