

February 18, 2019

WORKSHOP MINUTES

District 1	District 2	District 3	Mayor	District 4	District 5	District 6
Jim Gray	Tony Ortiz	Robert F. Stuart	Buddy Dyer	Patty Sheehan	Regina I. Hill	Samuel B. Ings

In attendance:

Mayor Buddy Dyer

Commissioner Jim Gray, District 1

Commissioner Tony Ortiz, District 2

Commissioner Robert F. Stuart, District 3

Commissioner Patty Sheehan, District 4

Commissioner Regina I. Hill, District 5

Commissioner Samuel B. Ings, District 6

Chief Assistant City Attorney Roy Payne

Deputy City Clerk Laurie Nossair

City Clerk Aide Ridge Holdridge

Police Officers Jose Sanchez and Edgar Malave, Sergeants-at-Arms

Mayor Dyer called the meeting to order at 10:04 A.M. and called on Housing and Community Development Director Oren Henry to give an update on Housing for All: Central Florida Regional Housing Trust. A copy of the presentation is attached as supplemental papers to these minutes.

Mr. Henry began by stating that one of the City's top priorities is ensuring anyone who wants to call Orlando home has access to safe, affordable, and high quality housing. Housing is a complex challenge affecting most cities nationwide because rental rates have increased faster than wages. Central Florida is no exception. In addition, Orlando is one of the fastest growing job markets in the U.S., and therefore there are thousands of people moving to Orlando for these jobs, which further strains housing resources.

Mr. Henry spoke briefly about the Orange County Regional Affordable Housing Initiative, a copy of which is attached as supplemental papers to these minutes. The initiative looked at historical trends as well as interest in improved housing diversity and enhanced local area resources targeted at housing for all. Among the various community partners there is broad agreement that a single solution is no longer likely to be a sufficient strategy to advance a housing agenda and that many approaches are to be considered.

Mr. Henry stated that increasing our inventory of housing will require a multi-pronged approach including collaboration with regional partners, state and federal governments and the private sector. The City's strategy has been to rehabilitate and preserve existing housing, new multi-family housing developments, both rental and home ownership, new single family residences, down payment assistance programs, identify new funding sources and partnerships, and amending the City's code

to encourage a variety of housing options. In the last five years, the City has committed nearly \$30 million to create or preserve housing options for residents at all income levels.

Mr. Henry called on Mark Brewer, President and CEO of Central Florida Foundation, to speak about the Central Florida Regional Housing Trust. Mr. Brewer stated he would be speaking about two strategies that come together to create a solution. The beginning piece of the strategy, based on the land trust model, is the Central Florida Regional Housing Trust (CFRHT), which was established in December 2018. It is an independent 501(c)(3), established with control of the Central Florida Foundation of the Board, who controls 50% plus one of the board seats. This entity is meant to be a regional entity beginning in Parramore. This leads to the Parramore Asset Stabilization Fund (PASF).

Regional Housing Trust is based on a Community Land Trust (CLT) model. CLT's are meant to balance the needs of individuals who need to access real estate to get the land and communities that want to be able to control real estate so that it stays affordable over a longer period of time. Land trusts are meant to make affordable housing sustainable over the long haul. There are currently 17 land trusts in Florida, with more of them coming up every day. This will be one of four large regional American Land trusts with the others in Vermont, Denver and Houston.

Mr. Brewer explained Regional Housing Trust works by giving residents the control of the buildings and community ownership of the land, with a 99-year ground lease which can go on into perpetuity. The idea is to provide equal protections for both renters and buyers in this environment. The concept is for people who buy affordable housing to have it remain affordable in perpetuity, so that when they sell it, they get some equity from it, but they don't push it back to market. This allows multiple families to buy a home over the years and have it be affordable for all of them and not have it go back to market space. So the first family builds a little wealth when they sell a house, then pays it forward to help the next family have the opportunity for an affordable house as well.

The Regional Land Trust benefits the community by providing a greater likelihood of attaining a sustainable homeownership or an ongoing renter environment and building some wealth among lower income families. This ensures public investments made by the public sector stay in the community and help build stronger and safer neighborhoods and contribute to education and job growth. It allows people to become prosperous over time and creates some jobs in communities through the construction and renovation of homes that are in the housing trust.

Mr. Brewer explained that resident control of buildings happens in a number of different ways. There are single-family homes, limited equity housing cooperatives, condominiums, and multifamily rentals. He provided an example that a home purchased for \$120,000 would earn 3% appreciation per year. After 5 years, \$18,000 of equity would accumulate. When the family decides to sell, they sell back to the land trust, and land trust income qualifies the next person who buys it. This continues a chain of activity housing that stays affordable and stays updated over long terms. Also, rental prices would be substantially lower than market rate and the idea is to be able to keep the rentals in proper shape and keep them livable while allowing people to move in and out of them and have the rent not rise.

Mr. Brewer stated the Central Florida Regional Housing Trust is put together by community partners and stakeholders that includes the renters and buyers of these homes, the Central Florida Regional Housing Action Team, Bright Community Trust, and neighborhood councils. The concept is for residents to have control over the real estate and what's done with it, and then for the Regional

Housing Trust to respond with resources and strategies in order to get the capital and build the things that are necessary.

The principal function of the Housing Trust is stewardship and the banking of real estate. The board of the Housing Trust and Bright Community Trust have put together the operational piece, including management, accounting, real estate, marketing, and sales in a public-private partnership. The way it works is the land trust attaches a fee for land banking properties. Cities can then accumulate lots in a trust with the intention of creating affordable housing. The City pays the trust to defray the carrying costs and the trust carries insurance and maintains the land. Once the land is developed, the trust collects a small ground lease fee. The goal is to build homes on properties that create affordable housing. Once a home is built, the homeowner maintains the property. It is their property and it can be left to their next of kin or they can donate it back to the land trust. If homes are rented from the trust, a property management company maintains the property.

The Central Florida Regional Housing Trust focused first on the Parramore neighborhoods, with the plan to rescue and renovate 44 properties including 83 rental units. Each of the neighborhoods that the Housing Trust operates in will have regional neighborhood councils of residents in the neighborhood. They will be the advisory to the Regional Housing Trust Board. The councils will focus on community listening, engagement and visioning. Their council members will also be connected with the larger regional board, which will allow the right resources to be brought at the right time.

Also as part of the regional housing trust is the Central Florida Regional Housing Action Team. Almost 30 leaders in finance, banking, construction and development make up this public-private partnership. The action team focuses on the affordable housing issue, and strategies on how to get capital and develop faster. They advocate for policy and public/private partnerships to get this done.

Mr. Brewer stated that as this program is beginning in Parramore, there is a mission and a vision. The mission is to create permanent affordable rental housing and home ownership for low to middle income individuals. The concept for affordable housing is to make this work for everybody and not to exclude anyone and not to push the most vulnerable people out of neighborhoods while building things that meet market needs for other people. The vision is to preserve Parramore's legacy and heritage, but at the same time allow it to grow and to envision neighborhoods where residents can live, work, learn, and find fulfilling work opportunities.

The footprint of the Parramore Regional Housing Trust neighborhood is the OCPS ACE Neighborhood which includes Holden Heights and all six of the neighborhoods in Parramore. The focus will be on a holistic approach, with identifying opportunities to rescue housing as the first priority. There are people in Parramore that could be pushed out of their housing quickly if the homes are not rescued. Another goal is to identify opportunities for development of multi-family mixed income housing.

Mr. Brewer explained the housing trust as the foundation and the Parramore Asset Stabilization Fund were put together to rescue the 80 plus units of housing when they went on the auction block. The Asset Stabilization Fund was put together with the partnership of three non-profit institutions and the operational partnership of a fourth: Central Florida Foundation, Florida Community Loan Fund and Community Loan Fund of New Jersey. Their focus of business is to loan money and capture capital in order to make investments to build things. There is also a capital partnership where the partners all

put capital into a bucket and then found the right debt financing in order to make this real estate opportunity work. There will also be subsidies and opportunities for philanthropy, forming a capital stack. All of the real estate in the Parramore Asset Stabilization Fund will exit to the Land Trust after ten years, with an option to extend. Its purpose is to guarantee the affordability of this real estate in perpetuity.

Mr. Brewer showed the organizational chart for the Parramore Asset Stabilization Fund (PASF) which sits in the middle of the chart. The property management company on the ground in Parramore will be managed by Parramore residents. The construction and renovation crews will also have a history in Parramore with the concept being to keep as much of this as local as possible. The next steps for the PASF will be to accomplish five important goals over the next 10 to 20 years: rehabilitate all of these units using healthy home protocols, making sure there are not lead paint or asbestos problems; preserve units for current residents and maintain affordability; hold the units as affordable rentals in perpetuity; provide financial literacy and education to help increase residents' incomes and prepare them for homeownership; and transition the homes to the Central Florida Regional Housing Trust.

CRRHT and PASF together provide income-constrained households, who would otherwise be renters, the opportunity to purchase homes and build equity. The concept is that the income-constrained problem may not be fixed, but the market in which they have access to housing can be fixed. Affordability is assured for subsequent buyers. Public/private subsidy is protected and leveraged. The negative impact will be gentrification and displacement.

Brooke Bonnett, Director of Economic Development, provided the specifics of the agreement going before City Council at the 2:00 p.m. meeting. The City is proposing to contribute \$750,000 towards the Parramore Asset Stabilization Fund. \$250,000 will come from the CRA, which was recommended for approval by the CRA Advisory Board on February 6, and \$500,000 from the Code Enforcement Lien Fund. The renovation of the properties is expected to begin in February or March and will be complete within twelve months. The Parramore Asset Stabilization Fund group will work with the tenants to ensure that they remain housed during the renovation. Planned improvements may vary per property, but will possibly include new roofs, upgrades to heating and cooling, new flooring, kitchen and bath renovations, and other energy efficiency enhancements. If residents need to be relocated, the PASF group will ensure that they will be placed in temporary housing.

Ms. Bonnett stated that the agreement ensures that rental rates will not be increased by more than 2% annually for ten years for the existing residents. For up to ten years, 42 of the units will be reserved for residents making less than 80% of the average area median income (AMI). At no time will any unit be leased to a tenant earning more than 120% of the average median income. For the initial ten year period, the PASF may retain ownership of the properties or offer the properties for sale to the Central Florida Regional Housing Trust. Should the Central Florida Regional Housing Trust choose not to purchase the properties after the ten years, the City and the CRA will have the first opportunity to be able to purchase the properties at the appraised fair market value.

Mayor Dyer asked Mark Brewer to introduce his team and the partners in attendance: Frank Wells from the Bright Community Trust, who will be the Chief of Operations for the land trust; Nicole Donelson, Vice Present of Philanthropy for the Central Florida Foundation; and Ignacio Esteban, CEO of the Florida Community Loan Fund.

The presentation ended at 10:42 a.m. Following the presentation, the workshop was opened for questions and comments. Discussion ensued. At 11:34 a.m. the presentation ended.

At 11:34 A.M Mayor Dyer called on Matt Broffman, Innovation Official, for an update on Digital Services & Orlando.gov. A copy of the presentation is attached as supplemental papers to these minutes. Mr. Broffman gave an overview on the reasons why the City is making these improvements. He stated that a way of building trust in government is to help residents' perception of the City of Orlando. By making the necessary changes and improvements, and providing a digital online service, the City will meet or exceed those expectations.

Mr. Broffman affirmed that there are over 275 different services that the City of Orlando offers, accessible in some shape or form online. Organizing 275 services in a way the residents can understand is not an easy task when the city's default search is by department. The solution is to redesign the way residents navigate the website, which is called Service Design. Mr. Broffman explained that in order for this digital platform to take place, the service design team, and the City's digital communication team, have come up with an efficient and inexpensive way to bring about this project. The proposed solution is to teach City of Orlando staff members the practice of service design through the digital service academy.

Mr. Broffman explained the Academy is a three-day workshop in which over a hundred City employees attended. City staff watched another staff person from a different department try to use the service online. Those employees went through the process in order to understand what it is like to be a resident. City staff learned very quickly that residents are looking for an easier and faster way to find information. City staff members brought in their ideas and came up with a new process that redesigned the contents in the cityoforlando.net page and how the information reads. Customers can now easily view and understand the twelve services provided on the City of Orlando webpage as well as read the contents of the City's webpage in their native language. The residents are now able to open up the "Report a Problem" page and quickly access all 12 services, and send their concerns to the City of Orlando online.

In order to prove the new site is working correctly, the City team used a measurement tool which sent surveys out to everyone who engaged in the 12 services on the City's website. Using the measurement tool allowed the employees to immediately identify any systematic issue and address and solve the problem. There are key metrics set for the survey and those metrics are set into two concepts. Mr. Broffman said that the City's employees reviewed these surveys after the residents engaged with the City's website service, where they answered two key questions: trust in the City of Orlando, and overall satisfaction for the service.

The other key driver metrics are: friendliness, ease of use, timeliness, and usefulness. Mr. Broffman stated that the point for the survey is to make sure that satisfaction correlates to trust in all of the City's services by providing the residents with the survey measuring tool. Satisfaction in services has risen since the new beta site launched, resulting in a 65% increase in customer satisfaction for residents who used the city's new site versus the old site.

The new City of Orlando website includes an initiative or project page titled "Showcase Our Work", where the City of Orlando showcases the work being done in the City and for the residents. One of the features which will soon be turned on is the subscription, where residents can subscribe to get

updates about projects or initiatives and notifications. The City has also made it mobile-friendly so that residents can access the City's site without having to download an app. They are able to receive updates with any changes. They can also make a report about any issues, get their permits issued, make payments online, view family events happening in a certain area, and receive an email update when new events get posted.

The City of Orlando website gives the people other ways to explore the neighborhood by providing a map that allows the residents to see the park locations, fire stations, and possible large projects that may be taking place in the neighborhood. The City website includes two important different areas that are in place: the first is language translation, and the second is testing for ADA accessibility. Mr. Broffman stated that the City will make the translation accessible to all by adding other languages.

Mr. Broffman shared the timeline for March 12th which is the date that the City of Orlando's homepage will be transitioning from the old to the new. E-mails will come from Orlando.gov. Some content will redirect to the old site and the City will continue to transition content. The City's website will redirect everyone searching cityoforlando.net to the new homepage Orlando.gov. On March 12th if somebody's trying to access something that has not yet moved, they'll still find a link which will take them back to the old website where they can still get the information. For the employees, the City email addresses will continue to work, making it a smooth transition.

The City team will continue with the transition through department goals, digital platforms, service design and digital communications, along with the Academy Staff. The Academy is not the end product of the service they have created, but that of a culture shift for them to understand what it looks like to deliver positive resident services. Key to this project is viewing the residents as partners. The goal is to set the example by becoming a model for other cities.

At 11:54 A.M., the workshop was opened for questions and comments. Discussion ensued. At 12:19 P.M., the workshop was concluded.



Mayor Buddy Dyer



Deputy City Clerk Laurie Nossair