

FLAGLER COUNTY
AFFORDABLE HOUSING ADVISORY COMMITTEE
Regular Meeting Minutes
April 23, 2024

MEMBERS PRESENT: *Trish Giaccone (Chair), Commissioner Andy Dance (AHAC Elected Official), Valerie Clymer (Vice Chair), Sandra Shank, Council Member Cathy Heigher (AHAC Elected Official), Angela Smith, Commissioner Rick Belhumeur, Kim Carney*

MEMBERS PRESENT VIRTUALLY: NONE

MEMBERS ABSENT:

EXCUSED ABSENT: *Nicole Graves*

STAFF PRESENT (All staff of Flagler County BOCC and Palm Coast City Council):

- *Adam Mengel (Growth Management Director — Flagler County)*
- *Gina Lemon (Growth Management -- Flagler County)*
- *Joseph Hegedus (Health & Human Services Director — Flagler County)*
- *Jacqueline Gonzalez (Senior Planning Technician -- City of Palm Coast)*
- *Devrie Paradowski (Housing Program Manager—Flagler County)*
- *Eduardo Diaz Cordero (Housing Program Coordinator, AHAC Liaison—Flagler County)*
- *Sheryl Simmons (Administrative Assistant-Flagler County)*

***Staff and members of the public may be in attendance either virtually or in person. To annotate an in-person quorum, these minutes only reflect which Committee Members attended virtually.**

MEMBERS OF THE PUBLIC: None

1. Call to order, Roll Call, and Pledge to the Flag: Trish Giaccone (Chair) called the meeting to order at 3:04 pm. She led the pledge of allegiance and conducted roll call.

2. Approval of Agenda: Valerie Clymer (Vice Chair) motioned to approve agenda. Sandra Shank seconded the motion. The motion carried unanimously.

3. Approval of Previous Meeting Minutes: Commissioner Andy Dance (Elected Official) motioned to approve the January 2024 meeting minutes.

Valerie Clymer (Vice Chair) seconded the motion. The motion carried unanimously.

Commissioner Andy Dance (Elected Official) motioned to approve the February 2024 meeting minutes. Valerie Clymer (Vice Chair) seconded the motion. The motion carried unanimously.

Angela Smith asked the committee to consider her six-page document to the committee which was passed out to the committee during the previous meeting and was received during the current meeting. She asked that ethical workforce development be added to a subsequent meeting agenda, to include discussion on her six page document she submitted to the committee so as not to take too much time from the current meeting and to ensure that committee members understood what she was presenting to the committee for consideration. Trish Giaccone (Chair) noted that everyone had the minutes and that the minutes should reflect that fact. Angela Smith clarified that she would like to provide comments on the document and wanted the opportunity to give clarification and details on what her idea is and why she took considerable time to develop the documents. She said she was acknowledged once but not fully. She noted she made the comment

49 in February and March and would like the timeline reflected in the minutes her attempts to ask the
50 Committee to consider her idea.

51

52 Commissioner Dance (Elected Official) did note that everyone on the committee has time to
53 discuss items so there will be time.

54

55 To note, the March minutes had been omitted from the handouts and would be approved by vote
56 during the May minutes.

57

58 **4. Agenda Items:**

59

60 **4a) Presentations:** Scott Culp, Principal Partner with Atlantic Housing Partners presented on
61 housing incentives.

62

63 He emphasized the importance of affordable housing as an economic driver for local governments
64 in keeping available workforce and by increasing local consumer spending. He said it was
65 important to note that the purpose of affordable housing is not just to address local cost burdens.
66 Workforce will move away from economic hubs when attainable housing is not available.

67

68 He spoke primarily on the financing of affordable housing, noting that the financing of it is highly
69 misunderstood by the public. The costs are impacted by the cost of land. He said a density bonus
70 is crucial to lowering costs for affordable housing. He said when local governments include density
71 bonuses, it doesn't change the quality or look, but can impact affordability.

72

73 The next cost he mentioned was construction costs, specifically connection fees. He said the fees
74 can be based on a rational nexus to adjust to the needs of the housing units and lower costs for
75 the populations being served by the housing units.

76

77 The final cost he mentioned was the financing of the projects. Interest rates are legal and global,
78 which are difficult to abate locally. He said debt was crucial to affordable housing, which is limited
79 by income. Developers cannot raise the debt when the costs for units are lowered as capped by
80 the income by the tenants. Debt is crucial for encouraging the fruition of project development and it
81 can be increased with lower interest rates, which Scott Culp notes can be lowered locally through
82 tax incentives and the issuance of bonds.

83

84 He said that the Federal government allocates private activity bonds to every state, and then every
85 state allocates those bonds to regions which can then issue those bonds. Private interests then
86 buy those bonds, taking advantage of the reduced tax and interest, lowering the taxes and interest
87 on the debt. The bond mechanism allows for more funds to be issued via debt with the reduction in
88 taxes and interest.

89

90 Scott Culp said that Federal tax credits have been the most critical development as of 1985,
91 contributing to the development of most affordably priced rental units. He noted that incentivizing
92 the use of these tax credits proves profoundly effective at encouraging affordable housing
93 development, but there is always a gap in financing, which many local governments cover using
94 local fund sources, such as the Community Development Block Grant (CDBG) or other local
95 housing fund sources. He explained that the tax credits are sold for equity and offer 4 percent or 9
96 percent tax credits, with the 9 percent offering the most crucial benefit to encouraging the
97 development of housing affordable to critical household in a community. Scott Culp explained that
98 the states administering these credits require local governments to contribute to these programs by
99 footing costs based on their capacity. He said, in Flagler County, designated as a medium sized

100 county, the contribution to receive the maximum benefit would be \$340,000, which could be
101 achieved through development contributions through programs such as CDBG or the State
102 Housing Initiatives Partnership (SHIP) through the use of a Local Government Area of Opportunity
103 (LGAO), defined by the local government.
104

105 He specified that the local government contribution would be offered as a loan to the developer,
106 stating that, in 15 years, the developer should be able to pay the funds back to the local
107 government, which could create a revolving fund for the local government. One commitment per
108 year for a local government considering the LGAO contribution would result in a future return of
109 additional funds annually as the developers initiate repayment on these loans. He pointed out that
110 shorter term loan commitments may impact financing or debt, with a ten-year commitment being
111 acceptable but a minimum of fifteen-year loan term being more optimal for the developers' access
112 to debt for these projects.
113

114 He explained that under Chapter 159, counties can create Housing Finance Authorities. He
115 explained that Atlantic Housing Partners has used Volusia County Housing Finance Authority as a
116 bond issuer. Flagler County did not need its own issuer, but the recent legislative session changed
117 that. New legislation changes the regions and requires that where allocations are available on the
118 first day of the business year, and the issuer requests those, the issuer must be in the region. So,
119 while the area of operation can be granted, Volusia County can no longer issue bonds for Flagler
120 County. Scott Culp explained counties are now creating their own Housing Finance Authorities,
121 which cost nothing to the county.
122

123 He said, under statute, they cannot have liability. They require no paid staff and have no costs.
124 The counties only issue the bonds by appointing five members to the authority. The Counties must
125 hire an issuers counselor and a bond counselor, whose fees are paid by the developers who pay
126 the bond issuance fees. The fees can be used to finance small-scale affordable housing
127 incentives.
128

129 Sandra Shank asked if the Housing Finance Authority (HFA) could be used to manage a locally
130 funded Housing Trust Fund, and Scott Culp responded that a fund could be developed with the
131 HFA fees, but the HFA would not typically manage a local trust fund. She asked if an HFA could be
132 used in lieu of a Housing Trust Fund, and Scott Culp said he had never seen that done and that
133 the HFAs are governed by statute and therefore do not typically do things outside of their lane.
134

135 Commissioner Dance (Elected Official) asked if there were a magic number on density bonuses.
136 Scott Culp said that the magic number may be around 25 percent as this number helps level the
137 market between market-rate and affordable housing developers who are capped by rent
138 restrictions. Commissioner Dance (Elected Official) noted that zoning and density bonuses require
139 a follow-up for the committee with Scott Culp available as the committee reviews these specific
140 incentives.
141

142 Angela Smith asked if there is a pathway from renting to homeownership. She said that increased
143 income is not a realistic mindset, and that the only realistic mindset is to give people the tools they
144 need, such as 21st Century skills. Scott Culp said that these needs are important separate from
145 development incentives, noting that the Social Service providers would be the agencies to further
146 these initiatives. He said most of his communities have an MOU to make social services
147 accessible, though he noted he did not purport to be an expert in this particular area of expertise.

148 He did go on to explain that the extremely low-income tenants at 30 percent of the area median
149 income level have a much greater need for social service provisions. He cautioned that developers
150 often would not target a high percentage of tenants to be in this range since the development of
151 financial proformas would indicate that there would be risk to the long-term financial stability of the
152 development, echoing his earlier comment regarding the possibility of leveraging when financial
153 institutions consider the development's income-potential during initial loan applications.

154
155 **4b) New Action Items:** None

156
157 **4c) Staff Updates and Action Item Follow-up:** Devrie Paradowski brought back a question from
158 the last committee meeting regarding encouraging counties to develop a strategy in their LHAPs
159 to recruit and retain essential services workforce, and she said that the Housing Staff reached out
160 to Florida Housing Coalition (FHC) to get clarity on this initiative. She said that the FHC said this
161 would not involve any separate strategy, but that prioritizing these individuals or developing a
162 housing preservation or creation strategy such as the rehabilitation or purchase assistance
163 program that focuses on these workers would be how the counties would achieve this. She noted
164 that currently, Flagler County does prioritize essential services personnel, and that such
165 prioritization is achieved through staff's review of incoming applications and properly labelling them
166 based on income and essential service status.

167
168 She followed up on the Procurement recommendation. She said they researched provisions at
169 other communities and found that, generally, local communities do not offer specific language to
170 address SHIP expenditures, but that some communities either operate by resolution or by
171 administrative directive. After speaking with the County Attorney and the Procurement and
172 Contracts office, they've determined that the best approach is to use a long-term qualification
173 process, like that of Marion County, whereby the qualification application is ongoing. Once
174 qualified contractors submit their qualifications and meet the criterial, the county can then submit
175 them to the Board of County Commissioners for a specified contract period which would allow the
176 contractors to exceed the expenditure threshold per year. To address change-orders and
177 increased costs above the threshold per project, the County Attorney suggested that each contract
178 be submitted to the Board of County Commissioners with an accompanying resolution allowing for
179 the County Administrator to approve those expenditures up to the maximum award amount and up
180 to the aggregate amounts available in funding.

181
182 Sandra Shank asked if they would be qualified for five years, how would their qualifications be
183 reviewed. Eduardo Diaz Cordero responded that Neighborly Software provides annual updates for
184 licensing. Devrie Paradowski explained that the official Request for Qualifications would be open
185 for five years, but that the contracts themselves would have shorter terms.

186
187 Devrie Paradowski added that Growth Management is adding an impact statement to the staff
188 reports which disclose the impact on housing costs. Jacqueline Gonzalez said that the City of Palm
189 Coast is looking at the county's impact statement and that they are looking at their own impact
190 statement.

191
192 **4d) Committee Member Updates:** Sandra Shank asked to have the Housing Fair flyer sent as an
193 image so Committee members could share them. Valerie Clymer (Vice Chair) asked Committee
194 members to help with getting questions from the Housing Forum and gave an update on the
195 upcoming Housing Policy Forum as well as the Housing Fair.

196
197 Angela Smith asked to confirm whether her topic would be added to the next agenda. She asked

198 the committee to consider her six-page letter. She expressed concerns that her item had been
199 dismissed and reiterated the fact that she had taken considerable time to write the document. She
200 said she would be prepared to come back with a Memorandum of Understanding. She said she
201 would be asking for an MOU of support.
202

203 Valerie Clymer (Vice Chair) addressed Angela Smith's concerns, explaining that, at a previous
204 meeting, the Chair was not yet in attendance when Angela's topic had come before the committee.
205 Valerie Clymer (Vice Chair) further explained that the reason the Committee invited the County
206 Attorney's office to provide representation at the last meeting was in response to Angela Smith's
207 request to consider Ethical Workforce Development. She said that some Committee members had
208 been operating for several years without such a request that seemed outside the scope of the
209 Committee's focus, and the County Attorney's office was there to help determine if such item of
210 focus was within the primary purview of the Committee's statutory purpose.
211

212 Trish Giaccone (Chair) said that Angela's document and the issue would be on the next agenda for
213 discussion. She reminded members that the document was available at the meeting, and she
214 asked members to read it prior to the next meeting.
215

216 The document is a six-page letter to the Committee suggesting that there be a focus on developing
217 21st Century Skills through Ethical Workforce Development, which Angela Smith writes will "offer a
218 successful financial future to people that live off of \$63,000 or less." The document references
219 people being "selected" based on passion for the environment and desire to build these skills. The
220 document also references commercial activity in Flagler Beach with some questions posed to
221 Flagler Beach Commissioners. The document then summarizes conversations held during the
222 February 2024 meeting, and it includes photos of events held in the City of Flagler Beach with text
223 indicating concern over the City's inclusion of national franchises.
224

225 Sandra Shank asked if Angela Smith's item of consideration would be the only item on the agenda
226 as it might take considerable time, to which Angela Smith asked for statements from each of the
227 Committee members. Trish Giaccone (Chair) asked that Committee members send comments to
228 Devrie Paradowski to be provided during the next Committee meeting.
229

230 Sandra Shank asked what Angela Smith's intention was with the MOU Committee Members could
231 know what questions to ask. Angela Smith responded that the MOU could be structured any way,
232 but that the primary focus would be Ethical Workforce Development. Sandra Shank offered that, at
233 the previous meeting, Sean Moylan from the County Attorney's Office said that such an activity
234 would be better suited for a different type of committee. Commissioner Dance (Elected Official)
235 suggested that the committee further discuss that concern at the next meeting.
236

237 **5. Public Comments:**

238
239 **6. Adjourn:** Valerie Clymer (Vice Chair) motioned to adjourn. Sandra Shank seconded the motion.
240 All voted in favor. The motion carried unanimously.

241
242 AHAC adjourned at 4:40 P.M.
243
244