



Meeting Minutes - Final
Below Market Rate Housing Review
Sub-Committee

Tuesday, September 28, 2021

9:00 AM

City Hall

1. Call to Order

The meeting convened at 9:03 a.m.

2. Pledge of Allegiance (Commissioner DeBruce)

Commissioner DeBruce led the Pledge of Allegiance.

3. Roll Call

Present: 6 - Eric Pfeifer, Laura DeBruce, Roger Grogman, Paul Nichols, Ty Symroski, and Karen Storjohann

4. Consent Agenda

- a.** Motion to authorize the Subcommittee Chair to review and approve the September 28, 2021 Below Market Rate Housing Subcommittee Minutes

Commissioner Storjohann moved, seconded by Commissioner Symroski, to authorize the Subcommittee Chair to review and approve the September 28, 2021 minutes without bringing it back for further consideration. The motion carried.

5. Old Business

- a.** Below Market Rate Housing Program Review Land Development Code Section 82-321 and Chapter 102

Chair Pfeifer gave a brief description of the role in review for the Executive Director of Community Housing and Resources (CHR).

Planning Supervisor Craig Chandler spoke to the section of the code responsible for administrating the Below Market Rate Housing for the City, noting to keep those responsibilities in mind, that the meeting is only held annually, and that now is the time to make presentations. This is the city's best opportunity to make those assessments and now is the time for CHR to make their recommendations if there are any.

Chairman Pfeifer acknowledged that Commissioner Symroski submitted a letter to the subcommittee with opinions on the role of CHR. Commissioner Symroski briefly described his opinions. Craig Chandler gave a quick comment in response giving insight on the primary purpose of the meeting.

6. New Business

a. Presentation from CHR Executive Director Melissa Rice

Melissa Rice, Executive Director of CHR gave the following report:

- CHR operates on an October 1 to September 30 fiscal year.
- Last year was financially healthy, and once the financial audit is complete, she will present fiscal data.
- During Covid CHR took all precautions to remain healthy and stable, and received grant funding and reduced expenses, resulting in a net income of over \$350,000.

Ms. Rice further reported that funds were raised through tenant rent (50%), \$300,000 from the manatee madness auction, "Give Back Wednesdays", unsolicited donations, grant funding, and the City of Sanibel provides funding for the Administrative Budget.

CHR has 11 locations with 74 rental units throughout the island. A Replacement schedule has been created and followed for rehabilitation of the buildings for upgrades and repairs both minor and major. During FY 2021 3 carpet replacements, 4 bathroom upgrades, 5 kitchen upgrades, 6 unites painted, 3 air systems (HVAC), 4 water heaters, 10 refrigerators and other appliances replaced. For Capital appromvements, 3 roof repairs, gravel and grading, 1 termite treatment that now resulted in annual treatments for all properties and units, tree trimming and landscaping. Ms. Rice noted that the lightning strike at Casa Mariposa caused problems with the Elevator and control panel which is in process for repairs. Other maintenance issues include water line effected by tree roots, units remain in good condition, replaced flooring almost 50% of units.

Commissioner Storjohann inquired as to the use whole house surge protectors for protecting the units from Lightning strikes, from Lee County Electric Cooperative (LCEC) program.

Commissioner Nichols inquired as to locations for CHR housing. Ms. Rice clarified that the CHR website has a map, and that she conducts tours, which City Attorney Agnew confirmed would be better taken separately by the Commissioners.

Director Rice spoke to occupancy rates with 9 units available. Four out of those nine units will be occupied, waiting on the first of the month. Leaving CHR with five units available. New tenants cannot move in mid-month. Finalizing the occupancy rate at 97%. Waiting list has 27 families, anticipates other units filled shortly, 2-bedroom demand vs. 1 bedroom demand.

Demographics; 10 disabled, 25 seniors (62 or older), 55 working, and 25 children, excluding the Limited Equity Ownership (LEO) units. Some overlap applied to the breakdown, such as seniors that work.

Very low income - 25 units, 32 people Low Income - 35 units, 60 people Moderate Income - 4 people in the moderate, 7 people Ms. Rice spoke to the Limited Equity Ownership Program - 29 persons occupying the 14 units. LEO has a waiting list of 12 with qualifications.

Commissioner Nichols, inquired about LEO logistics and how one acquires one. Melissa Rice clarified that not all units are LEO capable.

Commissioner Storjohann requested that the income levels be sent to subcommittee. Ms. Rice clarified that income levels are determined by HUD guidelines, giving additional information.

Chair Pfeifer spoke to how last year the subcommittee raised the income levels for CHR approval, coming before the subcommittee and then the Planning Commission for approval by City Council.

Ms. Rice continued to speak to the LEO program. Several people who have lived in LEO units and have successfully returned the unit back to the program and gone onto purchase homes in the market. She further spoke to CHR's excitement for the future, including generous donation of land by the Johnson family. A needs assessment was conducted 6 years ago, looking for 30 more units, as the housing need continues to grow, CHR will include Captiva for housing options in the future.

Ms. Rice spoke to 5-year plan to submit to the City Clerk for sharing among the dais.

Commissioner Storjohann inquired as to current new acquisitions of properties. Ms. Rice spoke to progress that has been made in this area, which includes identified properties for expansion.

Commissioner Symroski inquired as to the needs assessment and private affordable unit inventory. Ms. Rice spoke to Periwinkle Park, apartments above the store units, needs assessment for the workforce, estimates for how many employees on the island work and make the 160% of the income.

Discussion ensued regarding traffic, population density, and housing needs. Mr. Chandler spoke to a 3% Evaluation and Appraisal Report, and the direct impact to rental prices, high cost and high rent, and an economy based on tourism and service.

Commissioner Storjohann commented that in 2003, economy changed from fixed 3% to a more flexible rate.

Commissioner Grogman inquired about the LEO programs. Ms. Rice clarified that the purpose is important, in that it gives a steppingstone from rental to purchase and that regular rental units being in more demand.

Discussion ensued that regarding the Castle Report that F.I.S.H. put together, specifically focusing on occupancy and needs assessment on Sanibel. Commissioner Grogman noted that the Chamber of Commerce needs to be engaged with the program, the need to engage the business community, and how we can expand the 'champions' to the rest of the community to show the business community the benefits of supporting CHR. Further discussion ensued regarding the current facilities being converted to viable CHR housing, urging CHR to work to create a conversion, community. Commissioner Grogman further spoke to how to acquire land, donations of land, internships, dormitory living, not endangering the environment, but providing the housing units on property to work where you live and live where you work, and how leadership of these entities could help facilitate the self-serving business community.

Commissioner DeBruce spoke to the Sanibel Code references to workforce housing, economic diversity, the idea of the apartments above businesses although this would require change to code or revision for inclusion. She further spoke to looking at family emphasis, incentivizing the families for Children's Education Center of the Islands (CECI), Sanibel School and the youth programs at the recreation center.

Commissioner Grogman spoke to the CHR offices being closed. Ms. Rice spoke to using appointments and using virtual tools.

Chair Pfeifer inquired about the 160% for income limits, specifically is there is anything that the subcommittee can do for CHR at this time. Ms. Rice noted that CHR will be applying for a Conditional Use Permit for the property behind Baileys for the 30 rental units, could start building with the start of the capital campaign, as the application is for increased density for approval which would be in front of the Planning Commission.

Mr. Chandler spoke to recommendations for the drafting of the 2022 Annual Report, staff has noted two comments by Commissioners; 1) interest in proactively engaging stakeholders to determine needs and interest in cooperation with CHR and 2) mixed use zoning.

7. Public Comment

Public Comment:

Claudia Burns

Dr. Steve Brown

Alison Ward

Commissioner Storjohann commented on the registering of rental units. Cautioning that there is a tremendous amount of work to the code. City council would need to act on it sooner then later. Being realistic on how much staff is involved and its moving parts.

Commissioner Symroski echoed the importance of working with the business community, for the benefit of close employees and the feeling of being well taken care of, noted that families should be encouraged to move to the island to support the Sanibel School.

Commissioner Nichols stated he was pleased with the progress and discussion and thanked Mrs. Rice. Commissioner Grogman spoke to ways to mitigate current restrictions, including the 1,000 ft restrictions, and recommended creating an incentive package for providing to CHR. He further offered additional ideas to improve the success of CHR. He requested a motion to go to Land Development Code (LDC) to scale the incentive program for the acquisition of properties.

Mr. Chandler clarified that the motion would go to City Council to direct the Planning Commission to develop an incentive for existing landlords to manage current units through CHR, and to continue the discussion for additional CHR housing units at the LDC.

Commissioner Symroski moved, seconded by Commissioner Storjohann, to request City Council direct the Planning Commission to review the Mixed Use Housing regulations to facilitate CHR housing on Commercial Properties. The motion carried.

8. Recommendations for 2021 Annual Report

- a. Motion to draft 2021 Annual Report from summary minutes and authorize Chair to sign

Public Comment:

Claudia Burns

Commissioner Storjohann moved, seconded by Commissioner Nichols, to direct Staff to draft the 2021 Annual Report from summary minutes and authorize the Subcommittee Chair to review and approve without bringing back for further consideration. The motion carried.

9. Adjournment

There being no further business, the meeting adjourned at 10:38 a.m.