

AHAC Minutes – Meeting: September 25th, 2024

Affordable Housing Advisory Committee (AHAC) meeting called to order on September 25th, 2024, at 1:01 pm by AHAC Chair Cory Weaver in the City of Ocala Council Chambers. She requested roll call.

Present: Cory Weaver, Tasha Osbourne, Gwendolyn Dawson, Kristin Dreyer, Rob Peters, Davida Randolph, Henry Samuels. **Absent:** Jeff Hill

Quorum was met.

Proof of Public Notice was read into the record and was posted on September 19th, 2024, on the City of Ocala CDS website.

May 29th and July 31st, 2024 Minutes Approval: Motion to approve by Dreyer; Second by Dawson. Unanimously approved (7-0).

Mr. James Haynes, Director, City of Ocala Community Development Services (CDS), welcomed the Committee and moved to the next agenda item.

Introduction of New CDS staff members: Mr. Haynes presented the new Community Development Services Intake Specialist, Ms. Bessie Morley, former Director of the Strong Families program with United Way. She will be providing assistance with keeping our target families sustainable with her budgeting and housing skills set. She was welcomed by all. Mr. Haynes also recognized staff in the audience, namely Christopher Watt (Chief of Staff), Aubrey Hale (Planning Director), Christopher Lewis (CDS Rahab Specialist) and Ailin Abboud (CDS Intake Specialist).

Affordable Housing Projects Update: Mr. Haynes explained there are no major updates at the moment. The City hit the CDBG expenditure deadline. We are expecting the SHIP annual allotment which was due back in July. A 33% reduction is expected in the SHIP grant which will pose a challenge in facing the pending list of projects. We are in the process of a rebuild which has been on the waiting list for almost four years, with a completion date expected sometime in late December or early next year. The weather (rain) has been a challenge, but we are

very excited and pleased with this and all other rehabilitation projects accomplished this year.

5-Year Consolidated Plan Update: Mr. Haynes mentioned he introduced the 5-Year Consolidated Plan to the Committee at the last meeting. He also took it to the City Council, and it has been conditionally approved by HUD. The Plan will set the spending of the CDBG and HOME funding for the next 5 years. We did not change our intent very much. The City only receives about half a million dollars in CDBG monies every year, and about \$300,000 in HOME through the partnership with Marion County. Mr. Haynes has asked the County for additional HOME funding to the tune of \$661,000. He is waiting to hear back from the County. We try to focus the monies on housing more so than infrastructure projects like sidewalks, because housing provides the greater impact.

We are also working with the Economic Development Team within the City's CRAs by leveraging monies in both West and East Ocala CRAs on our housing projects. This helps us offset the decrease in SHIP funding, and we are excited about the interdepartmental partnership on behalf of the community.

Mr. Haynes indicated that monies have been set aside for acquisition, demolition and rehabilitation in the Consolidated Plan. Other activities include assisting non-profits and administration costs.

Ms. Weaver: Do you anticipate the grant cuts affecting any salaries?

Mr. Haynes: No, I don't. Fortunately, we budget our staffing out of the general fund, and if awarded the grant, we offset the expenses.

SHIP Annual Report: Mr. Haynes explained that SHIP allows you three (3) years to spend the money; Year 2021-2022 is a closeout year where all the money has to be expended, and the following year, all the money has to be encumbered. Now we have rolling closeout years. For the Year 21-22 closeout year we received a little over \$400,000 that we spent on eight (8) owner-occupied housing rehabilitations. We also started rental assistance in 2021 to help applicants with security deposits and first month payments. Some program income was received from payoffs or cash out refinancing which was rolled back into the program to

assist other applicants. Mr. Haynes shared the closeout report – we did over \$1M worth of projects in construction and rental assistance. Overall, we served 57 families with rental assistance. The monies we receive, make a great impact in the community. Mr. Haynes thanked the AHAC for their guidance and assistance in allowing all of these activities to take place. The closeout report met all required set asides, was submitted on time, and has been accepted by the State.

Dr. Dawson: Do you have a threshold for the cost for rehabs?

Mr. Haynes: Yes, every job we look at, we try to save the house due to a sentimental connection by the property owner – we ask ourselves, how much is it going to cost to rehab this house? Our Rehab Specialist does an exhaustive cost analysis of the property. If we cannot afford to do the rehab, we will go back to the homeowner and advise them that their building did not qualify for the program, and we provide the option of going on the rebuild list while cautioning that it may take up to 3 years of wait time.

Mr. Samuels: If the rehab poses a safety concern, would you still allow them to stay there for 2-3 years?

Mr. Haynes: No, if there's a safety concern, we try to address it. We look at the house and ask if it will still be standing in the next 2 years. We make sure the safety concern is taking care of i.e., the electrical connections are safe, and we do the rehab as quickly as necessary.

We will bring back a draft of the End of the Year AHAC Plan at our next meeting before we take it to Council in December.

Surplus Lots' Strategy Update: Mr. Haynes shared the interest to work on an infill project with some of the City's surplus lots with profit and non-profit developers that are conducive to housing development to address the current deficit. We just finished the first year of the Council initiative. It went a little slower than we would have liked because of financing issues, but there are a lot of ideas on the horizon. We have seven (7) lots that are currently being developed; we have 6 more coming up before the City Council: four (4) will be developed by a for profit developer and two (2) are being donated to NHDC in Gainesville. Finally, we are

looking to donate one (1) to OHA. So, by the end of the calendar, we will have 14 lots that will likely start being developed out of the original 61 lots. We are trying to be very strategic in the selection of lots we put out at a time.

FY 24 HUD PRO Housing NOFO (Round 2): The Biden Administration put out this grant opportunity in November of last year for \$85M. Twenty-one (21) awards were granted. City of Ocala CDS applied but was not selected. We applied for all the things we discuss here to include rehabs, building new homes, financing construction, and providing loans. We requested a debriefing and realized we missed the mark by 13 points. We also realized that Marion County automatically lost 10 points since it was not recognized as a priority geography as far as the threshold level for the need for affordable housing.

We decided to apply for the Second Round of the PRO Housing funding with the assistance of the Community Foundation and with a focus on reconstruction and rehabilitation of homes in the Tucker Hill area in conjunction with the Economic Development arm of the City. The maximum grant amount is \$7M and there's a total of 30 possible awards throughout the nation. We have had preliminary conversations with the Ocala Housing Authority and Habitat for Humanity for possible construction efforts. We will be submitting our application by October 15th. We have the City Manager's support, and we will be presenting it before the City Council in a couple weeks. Even if we don't get the grant, we hope to develop the area on a smaller scale. Mr. Haynes asked for the Committee's thoughts and ideas.

Ms. Weaver: Is there a match requirement?

Mr. Haynes: No, there's not a match requirement. The grant is very competitive. There's a 5-year completion plan, and it mirrors CDBG, so we are aware and comfortable with the regulations.

More discussion ensued regarding applicants being financially ready to own homes and the importance of homeownership classes to equip people with housing maintenance, budgeting, and job training. This will hopefully be a model housing project going forward. The awards will be known in February 2025.

Next meeting will be on Wednesday, December 4th, 2024, at 2:30 pm.

Meeting adjourned at 1:43 pm.

/nc