



City of Sanibel

Planning Department

DATE: November 15, 2011

TO: Judie Zimomra, City Manager

FROM: James C. Jordan, Planning Director 

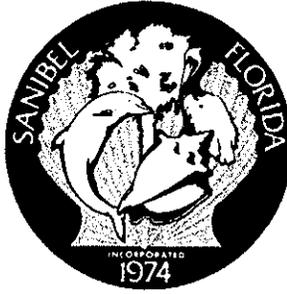
SUBJECT: **2011 ANNUAL REPORT
BELOW MARKET RATE HOUSING REVIEW SUBCOMMITTEE**

On September 13, 2011 the Planning Commission's Below Market Rate Housing Subcommittee met pursuant to Land Development Code Chapter 82 Administration, Article III Planning Commission, Division 3 Specific Authority, Subdivision XI Below Market Rate Housing Review to consider the 2011 Below Market Rate Housing Annual Report and the Revised Five Year Plan for Community Housing and Resources, Inc. This report was prepared and presented by the CHR Director, Nancy Fash-McHenry and CHR Board President, Richard Johnson.

During the meeting the Subcommittee recommended by motion that the 2011 Below Market Rate Housing Annual Report be presented to the Planning Commission on October 11, 2011.

On October 11, 2011 the Planning Commission reviewed the 2011 Below Market Rate Housing Annual Report and requested three changes: (1) "Report from Personnel Policy" be changed to "Report for Personnel, Owner and Tenant Policy"; (2) under the Executive Committee - add Chairman of the Limited Equity Ownership Committee; (3) Zonta's contribution to the Limited Equity Ownership program should be included (this suggested was made by Sanibel citizen, Karen Storjohann). By motion the report was approved to include the requested changes.

On October 25, 2011 the Planning Commission reviewed and approved the revised 2011 Annual Below Market Rate Housing Report to be submitted to City Council on December 6, 2011 for their consideration.



2011

Prepared by:

THE SANIBEL PLANNING COMMISSION
BELOW MARKET RATE HOUSING REVIEW COMMITTEE

Holly Smith, Chair,
Chris Heidrick, Tom Krekel, Phillip Marks, and Michael Valiquette

October 11, 2011

BACKGROUND

This review and report were undertaken pursuant to Land Development Code Chapter 82 Administration, Article III Planning Commission, Division 3 Specific Authority, Subdivision XI Below Market Rate Housing Review.

On September 13, 2011, the Planning Commission's Below Market Rate Housing Committee (BMRHC) met with the Community Housing Resources, Inc., (CHR) Executive Director, Nancy Fash-McHenry and the CHR Board President, Richard Johnson, to consider CHR's Below Market Rate Housing Annual Report.

Specifically, CHR's report addresses the following goals, objectives, principles and strategies in year four of its five year plan:

Goals and Objectives

- Initiate a search for a new Executive Director and employ the most capable candidate.
- Submit a revised Five-Year Plan to Sanibel City Council.
- Revise and implement financial internal control policies and procedures.
- Revise Board policies and procedures, expanding roles of working committees.
- Establish reserves for Limited Equity Owner opportunity (LEO) units.
- Separate financial records of CHR and Coast & Islands Community Land Trust (CICLT) operations, updating appropriate governmental reports.
- Review and revise purchasing policies.
- Review and revise personnel policies.

- Provide interpretation of the new BMRH Housing Guidelines to present and prospective tenants.
- Develop and initiate a plan for the rehabilitation and retrofit of older housing stock, with particular attention to green technology where possible.
- Seek Federal, State and local funding for such rehabilitation/green technology projects.
- Broaden CHR membership.
- Cultivate private funding sources.
- Develop an aggressive effort to market the remaining LEO units.

The CHR, Board of Directors directed its efforts in the fiscal year to addressing goals identified in the Five Year Plan, the current needs of the BMRH Program, and challenges brought about by internal and external conditions which impacted the Five Year Plan as adopted.

In year four of the approved Five Year Plan, CHR's progress by activity is as follows:

1. Initiate a search for a new Executive Director and employ the most capable candidate. The resignation of the Executive Director in June 2010 created the necessity for an Interim Executive Director, which was filled by Allen Myers for the period of June-September 2010. A committee of CHR Board members was formed to conduct a National Executive search and to facilitate the interview process. Over 80 resumes were received and 5 were interviewed. The selection process resulted in several viable candidates, and in April, a final candidate was selected, an offer made, and the position accepted by Nancy Fash-McHenry, a 30-year veteran of non-profit management. Ms. Fash-McHenry joined CHR on May 16, 2011.

2. Submit a revised Five-Year Plan to Sanibel City Council.

A revision of the Five-Year Plan was drafted and forwarded to the City Council in November of 2010. The priorities identified in the revision identified strategies to resolve cash flow issues, gain financial viability, employ a new Executive Director, complete the Landlord Tenant Manual, lease and related documents to be consistent with Fair Housing, and to get the CHR and CICLT Boards functioning and active.

3. Revise and implement financial internal control policies and procedures.

CHR adopted internal controls and associated policies and procedures to protect the assets of the organization, to create financial reporting, promote compliance with laws and regulations and achieve effective and efficient operations. General controls were established to implement and execute these policies and procedures by either the Executive Director or Board President including the establishment of appropriate reserves. The bookkeeping function was moved in-house in an effort to provide better day-by-day control and monthly reporting.

The Executive Director and Board Treasurer shall prepare an Annual Budget which will be adopted by the Board of Directors at the close of the fiscal year, September 30, 2011. Such budget will be balanced, that is, the anticipated revenues shall equal projected expenses plus reserves.

The Board of Directors meets monthly and included in the agenda is the discussion of the financial condition of CHR, as well as the year-to-date budget to actual analysis. The Board of Directors provided for an annual audit at the year end, Sept. 30, 2010, and a copy was forwarded to the City in February 2011.

4. Revise Board policies and procedures, expanding roles of working committees.

The Board of Directors adopted a Board Manual with roles of board and committee members, and additional policies. The Boards of CHR and CICLT have amended their Bylaws to reduce the size and duties of the CICLT Board and shift some of its previous duties to the CHR Board and activated a new LEO Committee to monitor the limited equity ownership program.

Five Board members took on the role of voluntary Executive Director from December until the arrival of the new Executive Director in May, each taking one a day a week. This provided some continuity and support for the staff.

Job descriptions and scope for the working committees have been reviewed to establish policies and to monitor policy compliance. Community Housing & Resources, Inc. maintains the following committees:

- **Executive Committee** is comprised of the Officers of the Corporation including the Board President, Vice President, Treasurer and Secretary, including the Chairman of the LEOC, to exercise all the powers of the Board of Directors in the management of the business and affairs of the corporation between meetings of the Board of Directors.
- **Landlord and Tenant Committee** is comprised of CHR Board members and other community members designated by the Board of Directors, to ensure that established policies and lease terms are administered properly, fairly, objectively, and are in compliance with Fair Housing, and the Florida Residential Tenancy Act.
- **Limited Equity Ownership Committee** is comprised of at least two CHR Board members and members of the community, at least one of whom shall be an LEO owner to oversee the sale of the LEO units and to make recommendations.
- **Personnel Committee** is comprised of the Board President, Vice President, Secretary and Treasurer to appraise the performance of the Executive Director, review personnel policies and propose changes to the board for approval, and to make recommendations for salary and benefit adjustments.

- **Finance Committee** is chaired by the Board Treasurer and comprised of CHR Board members to review the financial reports, the annual budget and make recommendations to the Board. The committee shall also initiate the auditing procedure.
- **The Development Committee** is comprised of at least two CHR Board members, chaired by a Board member and members of the community to increase visibility in the community, promote understanding of the agency mission and vision, promote the annual fund development plan and promote the marketing plan.

5. Establish reserves for LEO units.

\$26,000 has been budgeted in FY 2011 to establish an Equity Growth and Resale Reserve. However to date this reserve has not been funded but it is anticipated that it will be by year-end.

6. Separate financial records of CHR and CICLT operations, updating appropriate governmental reports.

Upon advice of CHR's auditor it was determined that it is more appropriate to report these entities together, however, Bylaws were amended to accommodate separate financial records, expenditures have been coded for the current fiscal year, and a separate 990 and corporate annual report was filed for each corporation.

7. Review and revise purchasing policies.

Purchasing policies were reviewed, revised and adopted by the Board of Directors. Policies for pre-authorization for purchases, purchase limits, and circumstances for exemption of preauthorization were determined. A separate purchasing policy was drafted defining the Bidding and Request for Proposal processes.

8. Review and revise personnel, owners and tenants policies.

To ensure that employees, board members and other volunteers understand their role in the organization, the Administrative Manager, each board member received a job description. With the hire of the new Executive Director, the board outlined policies for decision making differentiating the role between the ED and the Board of Directors. In June, supervision coaching began with the Administrative Manager for personnel record keeping, and weekly performance meetings began with administrative staff. In May, staff members began a review process identifying roles and responsibilities. In the next fiscal year an organizational chart will be developed, staff will receive detailed job descriptions and an annual review performance will be conducted with each staff member. The Board adopted policies for a written Policies and Procedures manual which includes, but it not limited to the follow topics, hours of operation, work schedules, vacation and sick leave accrual and use, health insurance and other benefits, ordinary and overtime compensation, conflicts of interest and code of ethics, and the grievance procedure, including protections for

whistleblowers. A further proposed revision has been drafted and will be presented to the Board of Directors this fall.

9. Provide interpretation of the new BMRH Housing Guidelines to present and prospective owners and tenants. In July, 2010 a few reported incidents led the Landlord and Tenant Committee of the Board to reevaluate the existing BMRH Guidelines. The current version of the BMRH Program Policy Guidelines was drafted and approved by the Board in 2007. A revised set of guidelines have been drafted and is being reviewed by the Florida State Housing Initiative Program (SHIP), which is guided by HUD regulations, and the Fair Housing Continuum Inc., a private non-profit fair housing agency-dedicated entirely to the elimination of housing discrimination in Florida. Training was conducted for the benefit of the Board, Landlord and Tenant Committee, and CHR staff on The Fair Housing Act in June. The revised set of guidelines are expected to be approved by the Board, and forwarded to the Sanibel City Manager and City Attorney for review in August, 2011 before forwarding to the Sanibel City Council.

10. Develop and initiate a plan for the rehabilitation and retrofit of older housing stock, with particular attention to green technology where possible.

This project was begun in the 2010-2011 FY and included hurricane windows, energy efficient appliances, insulation for attics, and other green technology projects, but was put on hold and will be reconsidered for the 2011-2012 fiscal years.

11. Seek Federal, State and local funding for such rehabilitation/green technology projects.

Funding was pursued for rehabilitation of the Wooster Complex which includes four individual 1 bedroom units and CHR received \$17,783.00 from SHIP to replace tile, grab bars, new toilets and vanity's.

12. Broaden CHR membership.

Three mail campaigns were conducted with the sole purpose of increasing membership and individual financial support.

13. Cultivate private funding sources.

Donations were received from community service organizations including Zonta, Kiwanis, the Optimist Club and others to provide support to children of tenants for after school, summer and activities parents could not afford as well as services to keep families intact and to address various needs of the CHR community. Local churches like Bat Yam, Temple of the Islands, St. Michaels and others gave their support for the Tenant Assistance Fund. The new Executive Director is developing an Annual Fundraising and Marketing Plan that will diversify CHR fundraising initiatives and build resources to increase support in the next fiscal year.

14. Develop an aggressive effort to market the remaining LEO units.

All LEO units at Beach Road and Sanibel Highlands plus four units at Centre Place have been sold. Four LEO units remain to be sold at Centre Place. An outreach plan was drafted to market the available LEO units to Sanibel workers, pre-school educators, public and private educators, public safety, utility workers, social services, and the service industry, and actively followed by staff and CICTL board members.

15. Development of affordable housing opportunities.

Effective July 1, 2011, CHR has no affordable housing units available through privately owned housing. There are currently 74 dwelling units available through the Below Market Rate Housing Program and at the time of this report, four vacancies. No new developments of land or dwelling units were pursued during this reportable year.

CONTINUE STANDING PRINCIPLES

- All housing strategies are to be consistent with and supportive of the Sanibel Plan.
- All housing strategies will comply with the environmental sensitivity of the Island and utilize green building techniques.

CHR has committed to introducing "green" practices as part of the proposed Centre Street project and future projects. These practices may include one or more of the following:

- Passive solar water heating
 - State-of-the-Art expandable foam attic/under roof insulation
 - PGT hurricane resistant U/V blocking windows
 - High "SEER" HVAC systems
 - Energy star appliances (refrigerator, washer, dryer, stove, dishwasher, water heater)
 - Water saving toilets, showers and faucets
 - No formaldehyde wallboard and adhesives
 - Metal heat reflective roofs
 - Recycled "TREX" decking and walkways
 - Optimal site placement of units (sun exposure)
 - Retain mature trees for shade and habitat, planting only native vegetation
 - Mandatory recycling
 - All structures built to exceed Dade County wind standards
 - CHR/CLT will apply for LEED and FGBC certification
- All rental leases and ground leases will include elements for recycling.
 - All rental leases and ground leases will require mandatory evacuation in cases of emergency when declared by City officials. Transportation will be provided for those who have no other evacuation alternatives.
 - All housing applicants will be pre-screened to match the policies established for admissions criteria.

- In the event of natural disasters, to act as a clearinghouse for housing related repair grant and loan opportunities for the Citizens of Sanibel.
- Assisting the City in any regard with current and emerging Federal and State policies regarding affordable housing.

FINDINGS

The Sanibel Plan, based on current population projections, has established a BMRH goal of 3% of residential households, or a total of 104 dwelling units at buildout. Today, there are 74 dwelling units in the Below Market Rate Housing (BMRH) program.

The constraints, that are identified in the Housing Element of the Sanibel Plan (Section 3.6.1), to providing housing for households of very low, low and moderate incomes are still valid; however, no regulatory barriers, created by the City, that are intended to prevent the provision of affordable housing have been identified. Impact and permit fees should continue to be waived for the BMRH Program.

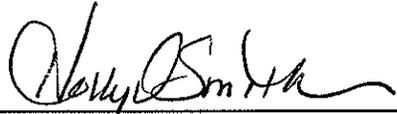
Community Housing and Resources, Inc. must continue to effectively administer the City's Below Market Rate Housing Program and fulfill all designated responsibilities; meets all goals, objectives and policies of the Sanibel Plan and the requirements of the Land Development Code. It remains important that the aims and aspirations for the BMRH Program be met.

Community Housing and Resources, Inc. (CHR), the Below Market Rate Housing authority of Sanibel should continue to pursue the Five Year Plan, particularly the strategies and action plan to resolve current cash flow issues and gain financial stability.

RECOMMENDATIONS

- ✓ Community Housing and Resources, Inc. should continue to implement the Five Year Plan and keep the Planning Commission apprised of future activities.
- ✓ The City should continue to waive development permit fees for future Below Market Rate Housing Developments.
- ✓ Community Housing and Resources, Inc., should continue its efforts to revise and adopt appropriate landlord, tenants and Limited Equity Owners guidelines.
- ✓ No changes to the Land Development Code are recommended.

Respectfully submitted:


 Holly Smith, Committee Chair

11-8-11
 Date