

AFFORDABLE HOUSING ADVISORY COMMITTEE
Sumter County, FL

Meeting: January 13, 2011

Present: PJ Lewis-Lewis Bros. Construction; Virginia Watson-Virginia Watson Enterprises; Diana Couillard-Dibarco Building Corporation; Kelly Pisciotta-Habitat for Humanity; Lori Roscoe-Century 21; Hilary Cook-USDA; Annette McCullough-Community Bank & Trust; Jacqueline Smith-Homes in Partnership; Glenn Frazier-Rainbow Ventures, LLC; Richard Cole-Zoning and Adjustment Board; Gary Schick-Citizens First Bank; Kathy Young and Sandie Purvis-Sumter County Housing Department

Public Attendees: None

A copy of the public notice for this meeting is on file.

Hand-outs to members: SHIP Replacement Bid Report/Construction of four homes/Bid Opening 12/21/10

Call to Order. Gary Schick called the meeting to order promptly at 10:00am.

First order of business: *Approval of minutes dated October 14, 2010.*

A motion to approve the minutes was made by Diana Couillard and seconded by Glenn Frazier. The motion carried unanimously.
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Second order of business: *Affordable Housing Funds Quarterly Report.* Kathy Young reported no funds have been spent to date. Ms. Young provided a review of the hand-out of the State Housing Initiatives Partnership (SHIP) replacement contracts and bid awards for four replacement homes. Ms. Young explained these funds will be matched with some of the Affordable Housing funds, as previously done with Community Development Block Grant (CDBG) funds, and \$15,000 has been spent from administrative funds. Ms. Young was informed in a recent meeting with Bradley Arnold, County Administrator regarding more code properties coming available and a broker has been contracted by the Board of County Commissioners in hopes of getting the properties sold and adding additional monies to the affordable housing funds; no developments are currently at the mitigation level but are expected to be in the coming 3 to 5 years.

Diana Couillard discussed the bidding process and asked Ms. Young why that particular method was used. Ms. Couillard feels the current method leaves too much money on the table, and if one contractor is the lowest bidder on all available jobs, that contractor

should be awarded those bids rather than passing them to the next lowest bidder after receiving 2 bids. Ms. Young explained Florida has a history of being the most corrupt state when it comes to dealing with housing authorities; the current method for awarding bids is to eliminate any conflict of interest or show partiality to one contractor over another. Additionally the method alleviates the Housing Department from being at the mercy of one contractor should he be unable to complete the job(s). Ms. Couillard interjected that could be eliminated by liquidated damages and continues to disagree with the current bid award policy as tight as constraints are on current tax dollars, noting the current policy left \$14,000 on the table by only allowing the lowest bidder 2 bids and the remaining 2 bids being awarded to the next lowest bidder. Ms. Couillard stated the award policy should be regulated, and if the lowest bid contractor is capable, staffed and able to produce the work, he should be awarded all the jobs. Ms. Couillard continued by reviewing the current policy in Citrus County, noting they have recently re-evaluated their bid policy to avoid throwing away good tax dollars. Ms. Young stated housing staff has tried the bid process multiple ways and was still unable to keep everyone happy with the process. Ms. Young continued noting the process has gone through the Federal Department of Community Affairs review and she has applied the procedure at the state level as well and been pleased with the results. While some tax dollars may be left on the table with the current process, Ms. Young believes she is also receiving lower bids. Ms. Couillard maintains, as an advisory committee member, she is in the business to save money, while getting as much in return for the few dollars that are available in the current program, and more money should not be spent than necessary if jobs are performed to ensure the contractor is qualified. Additionally, Ms. Couillard stated stronger stipulations should be in place and practiced if the contractor fails to complete the job according to the contract. Should this happen, the contractor will be less likely to underbid future jobs. Ms. Young maintains her disagreement and will not place the housing department under the control of one contractor. Ms. Young also noted, when a contractor comes in over the 120 day contract, it also cost the homeowner as they are paying rent and storage while out of their home. Glenn Frazier concludes the number of contractors will not make any difference if there is a bad contractor in the mix; you will still have to work with him if he is awarded the bid. Additionally, Mr. Frazier noted the criteria for the contract is already stated. Ms. Young stated, for the past 10 years, the bid process has been done by awarding no more that 2 jobs per contractor, and housing staff does not know which contractors have or may not have the ability to produce 4-5 homes at one time. Additionally Ms. Young stated to deviate from this process would be experimenting with clients who are paying rent because historically, a contractor has never had more than 2 jobs at one time. Gary Schick asked for a review of the approval process for the contractors. Ms. Young stated an application must be completed, references, licenses and insurance are checked. The contractor is then given the opportunity to bid. Ms. Young noted the current process has gone through DCA review because a contractor complained of the 2 bid maximum award. DCA determined the process was the most realistic way to eliminate conflict and partiality. Ms. Young has applied the Federally mandated process for CDBG policy across the board for all housing programs as she has minimal staff and

feels guidelines used at the Federal level are sufficient at the State and Local levels as well, and will not sway from the current procedure. Ms. Couillard stated the current sealed bid process which is opened publicly, eliminates any conflict or partiality already. Additionally, if the contractor is approved to bid, they should be awarded those bids for which they are low bidder. However, in the event the contractor walks away from a job, or causes another problem, they should be removed from the bid list at that time to prevent a future reoccurrence. Ms. Couillard reviewed the recent bid handout, noting Lewis Brothers Construction was low bidder on all 4 jobs. However, Lewis Brothers was only allowed 2 jobs and the remaining 2 jobs went to the next lowest bidder which was \$14, 000 higher than Lewis Brothers would have constructed the homes for. Ms. Couillard maintains this policy is a waste of an already minimal amount of available funding. Hilary Cook stated the current policy appears to discriminate against the contractor who has given the lowest bid, and shown no reason they can not perform the work. Ms. Young maintains the policy has worked well for the past 10 years; it is required for Federal funded programs which are mandated due to conflict of interest and will not be deviated from. Richard Cole reminded members, they are an advisory board only and although obvious difference of opinions may exist, this committee does not have the ability to mandate changes. Mr. Cole continued noting opinions have been expressed and produced a valuable discussion, and suggests moving to the next agenda item.

Virginia Watson questioned Ms. Young concerning the broker hired by the county to sell the code properties. Ms. Watson stated on the advice of this advisory board, that particular item was disagreed upon by the Board of County Commissioners in December 2008. Ms. Young stated she was not aware of who the broker was, but obtained the information from reading the BOCC minutes. Ms. Watson questioned whether it was advertised in the Villages Daily Sun, as she regularly reads the Sumter County Times and feels Brokers located on the south end of the county were not given the opportunity to receive the information. Ms. Couillard stated she did read it in the paper, which was likely the Villages Daily Sun since she is on the north end of the county. Ms. Young noted the Villages Daily Sun is the designated advertisement paper for Sumter County; however, housing staff advertise in both local papers since the majority of applicants are from the south end of the county. Mr. Cole stated there is currently a proposal in the legislature now to eliminate the print media and submit all advertising electronically for everything to assist in cutting the budget and not raising taxes, noting Florida is currently \$3.5 million dollars short. Mr. Cole continued giving a brief review of items currently on the table for discussion in the legislature, noting nothing will go untouched and it will only be a matter of when and how much funds will be cut from programs.

No action

Third order of business: *Foreclosure Prevention Strategy.* Ms. Young noted she has had the opportunity to work with several families recently and most banks have

appeared very unwilling to work with people. Ms. Young presented a brief review of Florida Housing's new Hardest Hit program; the program is currently in the pilot stage in Lee County. Ms. Young stated the housing department will be able to obtain minimal administrative fees to assist applicants in an online application process. The program is strictly to assist the unemployed and underemployed; unemployment can not be based on illness. It must be caused by a lay-off or a reduction in hours due to a lack of work. A mortgage will be done through Florida Housing for funds expended; the mortgage is deferred, after the first year the mortgage will decrease by 20% and after 5 years it will be satisfied. Mr. Schick stated from the community bank standpoint, they are working diligently with their customers to provide whatever relief they can, such as rate reduction, and believes the problem Ms. Young is seeing is with the larger banks. Ms. Young has notified Florida Housing that Sumter County is interested in administering the program. The State of Florida has received a little over \$1 billion dollars for this program, and housing staff has attended one webinar. Additional information on the program and administration is still coming in. Kelly Pisciotta noted Lee County is reaching out to Habitat in Lee County as well as other affordable housing lenders, citing outreach will be important to get the word out to those in need. Ms. Young will provide additional information to committee members as it becomes available.

Gary Schick discussed a recent article regarding foreclosure which predicted 2011 to be one of the hardest years for foreclosures. According to the article, banks have held off bringing the foreclosed properties to the market, and the unemployment rate continues to be high. Ms. Young questioned why the banks, after receiving the bail out funds, are making it difficult for people to get help. Annette McCullough stated the community level banks are not seeing that problem. That problem generally arises at larger banks which may have under trained staff or difficulty knowing who to direct the calls to. Mr. Cole noted Community Banks did not get burned by sub-prime loans, leaving them in better shape than larger banks. Lorie Roscoe discussed a recent phone call she received offering assistance for short sales; the business acts as a liaison between the homeowner and the bank and their fee is negotiated into the short sale. Ms. Young asked members to provide her with any assistance, contacts or websites that she may use to offer assistance to those in need.

No Action

New Business: Ms. Couillard asked for clarification on "NSP". Ms. Young responded NSP is the Neighborhood Stabilization Program which Sumter County is not eligible for since it is not a part of a Metropolitan Statistical Area (MSA) and did not have the foreclosure numbers to merit funds. NSP 3 funds are coming out, however Sumter County will not be funded as HUD continues to use the original numbers.

Ms. Young announced Virginia Watson is the only AHAC committee member who has attended each and every meeting since the committee's inception. Ms. Watson was applauded for her dedication to her community.

No Action

Old Business: None.

Public Input: None.

Items for next agenda:

- Quarterly review of Affordable Housing funds (Kathy Young)

Next Meeting:

- April 14, 2011 @ 10:00am in Room 142 (as published for public notice)

A motion was made to adjourn the meeting by Richard Cole at 10:55am and a second was provided by Diana Couillard. The motion carried unanimously.

Submitted by: Virginia Watson
Virginia Watson, Secretary

Approved on the 14th day of April, 2011.

By: Gary Schick
Gary Schick, Chairperson