The Florida Senate

COMMITTEE MEETING EXPANDED AGENDA

APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION, TOURISM, AND ECONOMIC DEVELOPMENT
Senator Hutson, Chair
Senator Thurston, Vice Chair

MEETING DATE: Wednesday, October 16, 2019
TIME: 3:30—5:00 p.m.
PLACE: *Toni Jennings Committee Room,* 110 Senate Building

MEMBERS: Senator Hutson, Chair; Senator Thurston, Vice Chair; Senators Brandes, Lee, Perry, Simpson, Taddeo, and Torres

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Panel Discussion on Affordable and Workforce Housing in Florida		Presented
	Other Related Meeting Documents		

AFFORDABLE AND SUPPORTIVE HOUSING

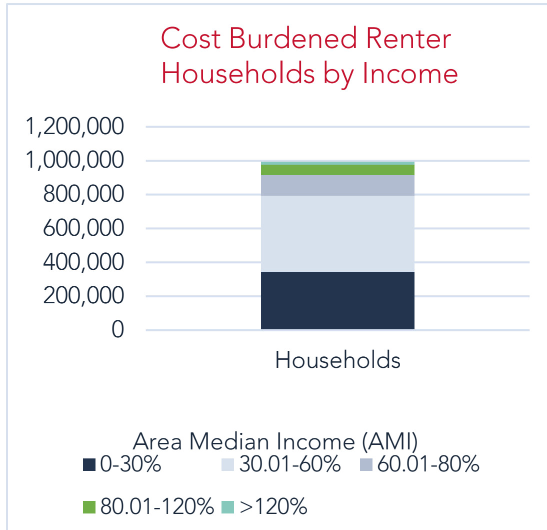
WHAT IS AFFORDABLE HOUSING?

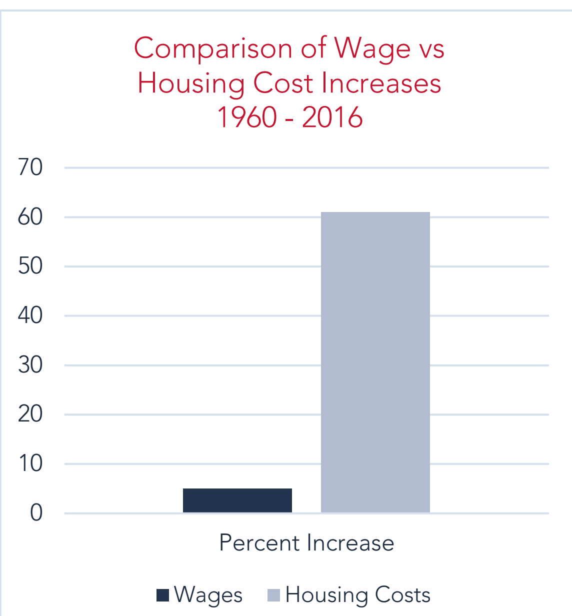
Affordable housing is exactly that – housing that is affordable to the household living within it. Everyone needs affordable housing; each family must determine the amount that is affordable for them. The ideal is to spend no more than 30% of household income on housing.

Florida faces an affordable housing crisis. 795,605 renter households earning 60% or less of Area Median Income (AMI) are cost burdened (paying more than 40% of income on housing).[i] This is largely because housing prices have increased exponentially more than wages. Between 1960 and 2016, inflation adjusted rents increased 61% while median renter incomes increased only 5%. [ii]

Renters at all income levels participate in the workforce. Seventy-six percent of renter households include at least one person employed outside the home. Most of the rest are elder or disabled households. Lower-paying service jobs are the most common occupations.[iii]

And Florida has a significant number of low wage professions. Twenty percent of jobs pay less than $26,000 annually; over 470,000 jobs have a median wage less than $10/hour.[iv] The maximum affordable rent among these professions is $630 per month. Yet, the median rent for a studio apartment is almost 30% higher than the affordable rate; a 2-bedroom apartment cost 68% more than the highest affordable rent for 20% of jobs in Florida.



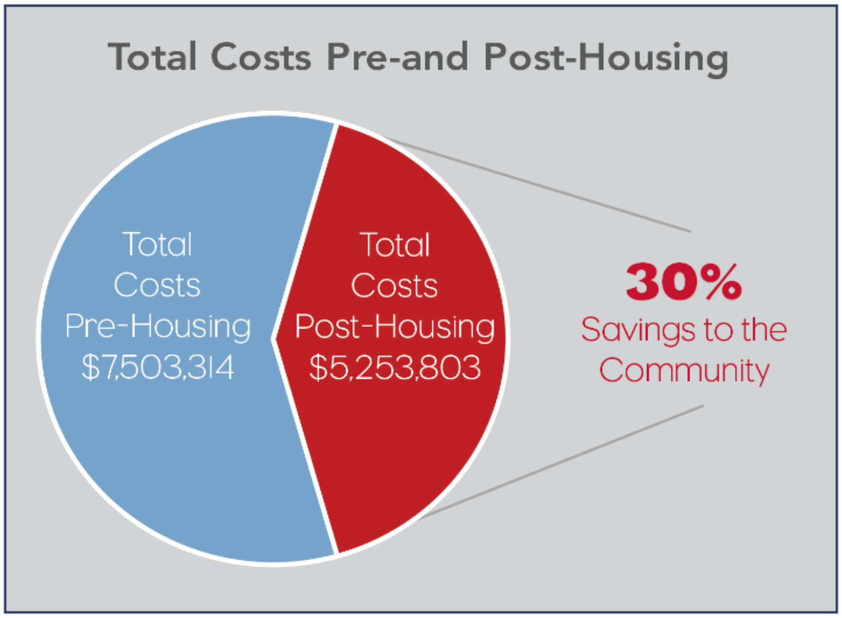


WHAT IS SUPPORTIVE HOUSING?

Supportive housing is affordable housing linked with voluntary support services. It is an evidence-based practice proven to reduce homelessness and the unnecessary institutionalization of persons with disabilities that require assistance to obtain and maintain housing.

The University of Florida estimates there are 104,273 cost burdened low-income renter households with a disabling condition.[v] Not all of these households require supportive housing, but some do. This number does not include persons with a disability living in an overly-restrictive institutional setting; such as an Adult Living Facility, Nursing Home or State Hospital. Nor does it include the 5,771 persons with a disability that are identified as chronically homeless.[vi] The Corporation for Supportive Housing (CSH) estimates Florida needs 58,967 units of supportive housing.[vii]

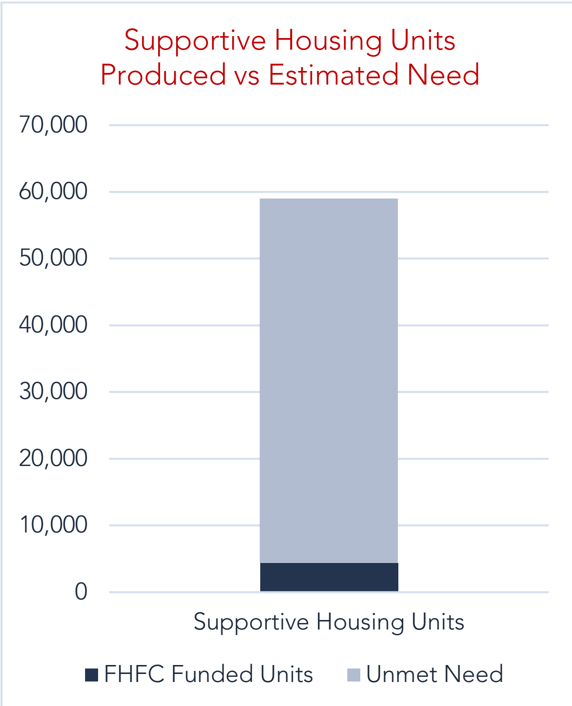
Providing supportive housing to those that need it is an efficient use of limited resources. In 2014 Florida Housing Finance Corporation selected three sites in Duval, Miami-Dade and Pinellas Counties, to conduct pilot studies to assess the cost benefits of providing permanent supportive housing to high utilizers of crisis services. The Duval site has completed its evaluation; which focused on 68 persons who remained enrolled in the study for a minimum of two years. The evaluation compared two time periods: the two years before the person moved into housing and the first two years after the person moved into housing (a pre/post comparison). It was found that, including the cost of the housing and the resources and services, it was 30% less expensive to provide housing to the person than it had been to maintain homelessness.

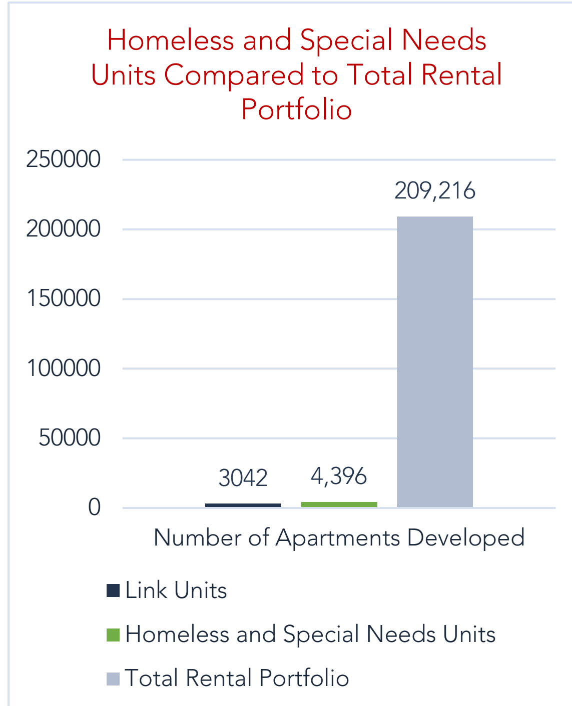


According to a small study conducted by CSH, when supportive housing is targeted to welfare involved families, outcomes improve demonstratively.

- >60% of open cases were closed, on average 10 months after the family moved into supportive housing
- >60% of families had no subsequent abuse/neglect cases
- No children were removed from the home
- School attendance increased, an average of 25 days
- Increased ability to maintain relations and rebuild support systems
- Had a powerful impact on the importance parents placed on becoming a better parent
- 1/3 of parents participated in a job readiness/employment skills training

Yet, even with the knowledge of the cost benefits of supportive housing, the state does not allocate enough resources to address the need. Per statute, starting in 2001 (homeless) and 2011 (special needs), a portion of State Apartment Incentive Loan (SAIL) Program funding must be allocated proportionally to homeless and special needs households. Per the 2019 Rental Market Study, homeless and special needs renter households represent 21% of the overall need. As of March 2019, 3,713 units dedicated to homeless and special needs households have been developed. This is less than 5% of the rental portfolio funded by Florida Housing.





ABOUT ABILITY HOUSING

Ability Housing is a nonprofit rental developer. Our objective is to fundamentally change the way the problem of homelessness is being addressed. We accomplish this through building strong communities where everyone has a home. That is our mission. At our core, we believe everyone should have a home. In addition to building housing we administer rental assistance to help chronically homeless households access housing. Our partnerships with area service organizations ensure residents have the support they require to maintain their housing and increase their independent living skills.

By the end of 2019 we will have increased our portfolio of housing from 298 to 621 units. In 2018 we served 991 persons including: 340 children, 229 people who had previously been chronically homeless, 362 persons with a disability and 399 households with an income of 30% or less of Annual Median Income. Our housing stability rate (households remain in permanent housing 12 months or more) continues to exceed national standards for the population we serve, remaining at 94% or better over the last five years.

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[i] Shimberg Center for Housing Studies 2019 Rental Market Study

[ii] Joint Center Housing Studies of Harvard University Documenting the Long-Run Decline in Low Cost Rental Units in the US by State September 2019

[iii] Shimberg Center for Housing Studies 2019 Rental Market Study

[iv] Home Matters-Report from the Florida Housing Coalition 2019

[v] Shimberg Center for Housing Studies 2019 Rental Market Study

[vi] Corporation for Supportive Housing Report 2019

[vii] Corporation for Supportive Housing CSH.org/supportive-housing-101/data/

AFFORDABLE HOUSING WORKGROUP

FINAL REPORT 2017

227 North Bronough Street, Suite 5000 • Tallahassee, Florida 32301
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December 22, 2017

The Honorable Rick Scott
Governor, State of Florida
PL-05 The Capitol
Tallahassee, FL 32399-0001

The Honorable Joe Negron
President, The Florida Senate
409 The Capitol
Tallahassee, FL 32399-1100

The Honorable Richard Corcoran
Speaker, Florida House of Representatives
420 The Capitol
Tallahassee, FL 32399-1300

Dear Governor Scott, President Negron and Speaker Corcoran:

On behalf of the Affordable Housing Workgroup, it is my pleasure to submit this report to fulfill the requirements of Chapter 2017-071, Laws of Florida, which implemented Specific Appropriation 2225 of the 2017-18 General Appropriations Act.

The legislation charged the Workgroup with developing recommendations to address the state's affordable housing needs and to develop strategies and pathways for low income housing in the state. Our 14-member body convened and deliberated during the fall of 2017. Meetings were held throughout the state and featured numerous opportunities for public input including livestreaming access to all discussions.

The findings and recommendations that follow represent the culmination of extensive research and vigorous and thoughtful debate of issues impacting the need for, production of, and access to affordable housing in Florida. The recommendations were presented to and approved by the board of directors of Florida Housing Finance Corporation on December 8, 2017.

As the Chair of the Workgroup, and speaking for all Workgroup members, I extend our appreciation for the opportunity to serve the citizens of Florida. Please do not hesitate to contact me for additional information.

Sincerely,

Harold L. "Trey" Price
Executive Director

TABLE OF CONTENTS

MEMBERS OF THE WORKGROUP

Chair, Affordable Housing Workgroup
Trey Price, Executive Director
Florida Housing Finance Corporation

Representative Appointed by The Florida House of Representatives (1 of 2)
The Honorable Mike Miller
Florida House of Representatives, District 47

Representative Appointed by The Florida House of Representatives (2 of 2)
Hollie Croft, Partner, Orlando
Broad and Cassel

Representative Appointed by The Florida Senate (1 of 2)
The Honorable Andy Gardiner
President of the Florida Senate (2015-2016)
Senior Vice President, External Affairs & Community Relations, Orlando Health

Representative Appointed by The Florida Senate (2 of 2)
Margot Graff, Executive Director
Habitat for Humanity of Martin County, Inc.

Executive Director (or Designee) of The Florida Association of Counties
The Honorable Nan Rich
Senate Minority Leader (2010-2012)
Commissioner, Broward County Board of County Commissioners

Executive Director (or Designee) of The Florida League of Cities
The Honorable Wayne Messam, Mayor
City of Miramar

Chairman of The Florida Building Commission
Richard S. Browdy, President
Browdy & Browdy, Inc.

Gubernatorial Appointment – Advocate for the Homeless
Shannon Nazworth, Executive Director
Ability Housing, Inc.

Gubernatorial Appointment – Advocate for Individuals with a Disabling Condition or Special Needs
Jack D. Humburg, Executive Vice President
Housing, Development and ADA Services
Boley Centers, Inc.

Gubernatorial Appointment – Building/Development Community Representative
Hana Eskra, Florida Marketing President
Gorman & Company

Gubernatorial Appointment – Realtor Licensed in Florida
Cheryl Lambert, Broker/Owner
Only Way Realty Citrus

Gubernatorial Appointment – Miscellaneous
Mark Kruse, Policy Coordinator
Transportation and Economic Development Unit, Office of Policy and Budget, Executive
Office of the Governor

Executive Director (or Designee) of The Florida Department of Economic Opportunity
Julie Dennis, Director
Division of Community Development
Florida Department of Economic Opportunity

LEGISLATIVE CHARGE

Workgroup recommendations must include, but are not limited to:

- A review of market rate developments;
- A review of affordable housing developments;
- A review of land use for affordable housing developments;
- A review of building codes for affordable housing developments;
- A review of the state's implementation of the low income housing tax credit;
- A review of private and public sector development and construction industries;
- A review of the rental market for assisted rental housing; and
- The development of strategies and pathways for low income housing.

ACKNOWLEDGEMENTS

Florida Housing Finance Corporation Team

Nancy Muller, Workgroup Staff Director
Sheila Freaney, Administrative Support
John Toman, Policy Support
Diana Fields, Policy Support
Cory Beaver, Final Report Design

Thanks to many other staff at Florida Housing, the Shimberg Center for Housing Studies at the University of Florida, the Florida Housing Coalition, and numerous other stakeholders throughout Florida who provided valuable information and perspective to assist the Workgroup in its efforts.

Executive Summary

The 2017 Legislature created the Affordable Housing Workgroup with the charge to:

- Review housing in Florida, with a focus on affordable rental housing;
- Examine land use and building codes as they relate to affordable housing; and
- Consider the state's implementation of the Low Income Housing Tax Credit program.

The Workgroup was also charged with hearing from the development industry to assist it in making recommendations across these areas, broadly including the development of strategies and pathways for low income housing.

What is Affordable Housing?
Affordable housing is safe and decent housing. It differs from market rate housing in two ways: the income of the family living in the housing; and the financing of the housing.

Affordable housing is defined in terms of the income of the people living in the home. The family must be income eligible. Income eligibility is defined in terms of area median income (AMI), adjusted for family size, from extremely low income up to moderate income. Statewide, an extremely low income 2-person family makes about $16,200 per year, and a moderate income family brings home about $62,400 per year – these amounts vary depending on the area of the state.

It is generally accepted that a lower income family spending more than 30-40 percent of its income on housing costs will be cost burdened and not have enough money left over to pay for items such as transportation, food, clothing and healthcare. It follows that the concept of affordable housing is not applicable to higher income households. If a household earning $200,000 per year chooses to spend as much as 50 percent of its income on housing costs, it could do so without being cost burdened. Generally, the issue of whether housing meets the technical definition of "affordable" ceases to be a societal concern when the income of an occupant exceeds 120 percent, or in rental cases, 60 percent of the AMI, except for a few places in the state where housing costs are extremely high.

What makes housing affordable is a decrease in monthly rent or mortgage payments, allowing a family to pay less for the housing than it otherwise would cost at "market rate." Lower monthly payments are a result of affordable housing financing to support homeownership and rental housing, provided through public sector programs at the federal, state and local level.

The Workgroup's Approach
The Legislature gave the Workgroup a short time in which to make its deliberations, requiring the final report to be completed by the end of 2017. The group met four times around the state, with all meetings livestreamed for public access. The public was invited to submit written thoughts and make comments at each meeting. The Workgroup's website on the next page provides in depth information about the topics covered over the fall.

http://www.floridahousing.org/about-florida-housing/workgroup-on-affordable-housing

After the Workgroup completed its deliberations, the recommendations were presented to the Florida Housing Finance Corporation Board of Directors for approval, as required by the legislative charge. The Board held a workshop to review the recommendations and take public comment. On December 8, 2017, the Board approved the recommendations. The Board also submitted a letter, included in the Report Appendix, providing comments on several of the recommendations.

Summary of the Workgroup's Findings and Recommendations

FUNDING TO IMPLEMENT FLORIDA'S AFFORDABLE HOUSING PROGRAMS

WORKGROUP FINDING

At each of its four meetings, the Workgroup heard from the public and received many written comments. While many ideas were presented to the Workgroup, a consistent theme from the public is the continued need for resources to meet Florida's housing needs. The Workgroup finds that it is essential for the State of Florida to appropriately invest in affordable housing. Not only are the state funds important on their own, but they leverage critical federal financing, all of which works together to create important employment and economic benefits for the state. The housing need was already significant before Hurricane Irma struck the state.

Recommendation: The Legislature should appropriate all Sadowski funds in the State and Local Government Housing Trust Funds solely for Florida's affordable housing programs.

LAND USE FOR AFFORDABLE HOUSING DEVELOPMENT

WORKGROUP FINDING

The Workgroup's review and discussion of impact fee processes across the state confirmed the location-specific character of fees as provided for through home rule powers. In areas where impact fees are waived in some manner for affordable housing, the waivers can act as catalysts for affordable housing by mitigating development costs.

Recommendation: The Workgroup recommends that local governments assessing impact fees either waive fees outright for affordable housing or establish local dedicated funds to make such affordable housing waivers possible.

WORKGROUP FINDING

The Workgroup finds that a variety of land use tools can be employed by local governments to support the development of affordable housing. In particular, density bonus programs are excellent tools to incentivize the production of affordable housing in a community and work best when used solely for this purpose. The Workgroup believes the most potent approach to density bonuses requires a developer to include affordable units on site in areas with excellent proximity to public transit, employment and other amenities to foster economic mobility. Additionally, micro-units and accessory dwelling units are important tools to create more affordable rental units in urbanized areas for small, cost burdened households. Finally, reducing parking requirements associated with residential development, especially in urbanized areas close to transit centers, is an important way to reduce the cost of development.

Recommendations

- The Workgroup recommends that local governments, particularly those in urbanized areas, strongly consider incorporating density bonus programs, reduced parking minimums, and reductions of land use barriers to the development of micro-units and accessory dwelling units into their land use tool boxes to support the development of affordable housing.
- The Department of Economic Opportunity should continue to provide technical assistance to local communities desiring assistance to implement strategies to facilitate increased development of affordable rental housing.

BUILDING CODES FOR AFFORDABLE HOUSING DEVELOPMENT

WORKGROUP FINDING

The Florida Building Code establishes minimum technical performance requirements to safeguard the public health, safety and general welfare within the state's built environment. It includes review mechanisms for updating standards, provides flexibility to address issues of construction affordability, and promotes innovation and new technology. All of these features are critical to the successful development of affordable housing. As the 2017 hurricane season vividly displayed, structural strength and safety to property and life are essential to Florida's residents.

Recommendation: While the idea of a unique affordable housing-specific building code was explored, the Workgroup recommends that affordable housing developments continue to comply with all standards and performance criteria of the Florida Building Code going forward.

IMPLEMENTATION OF THE STATE HOUSING INITIATIVES PARTNERSHIP PROGRAM

WORKGROUP FINDING

The Workgroup finds that there is an increased need for affordable rental housing throughout the state. Data show that the current flexibility allowing SHIP to be used for rental strategies is being underutilized by most local governments.

Recommendations

- With the decrease in the homeownership rate in Florida, local governments should evaluate the need for affordable rental housing in their communities and consider using SHIP funds to assist in developing new affordable rental housing.
- The Catalyst Training and Technical Assistance Program should continue to provide regular training opportunities to local SHIP administrators about options for using SHIP to develop rental strategies. The training should educate local governments about how they can maximize their rental strategies with new allocations, as well as program income, which is not restricted by the 65 percent homeownership requirement.
- The Legislature should exempt SHIP funding used to finance small rental developments for persons with special needs and homeless persons from the 65 percent homeownership requirement, but no less than 60 percent of a local allocation must be used for homeownership.
- Florida Housing Finance Corporation should develop a simple monitoring report template for local governments to use for any rental properties that are not covered by compliance reporting under other corporation administered programs. Florida Housing Finance Corporation should also examine the approach of allowing "self-certifications" provided by smaller properties, as the corporation already allows for smaller, special needs properties in its portfolio.

STATE IMPLEMENTATION OF RENTAL HOUSING PROGRAMS

WORKGROUP FINDING

While only one-third of applications awarded financing by Florida Housing are chosen through a lottery, the Workgroup finds that, ideally, no awards should be made through a lottery.

Recommendation: Florida Housing Finance Corporation should continue efforts to reduce the allocation of awards based upon the lottery.

WORKGROUP FINDING

The Workgroup finds that Florida Housing Finance Corporation's rental allocation process takes longer than it ideally should mainly due to legal challenges to scoring results. Challenges are allowed under s. 120.57, F.S., and while they are more expedited than Florida Housing Finance Corporation's older rule-based litigation process, the additional time taken to resolve these cases means more time before developments are constructed and available for occupancy.

Recommendations

- Florida Housing Finance Corporation should evaluate whether legal challenges in which all parties agree after litigation has occurred can be sent to the Executive Director rather than the Board for issuance of a Final Order.
- Florida Housing Finance Corporation should assess its application process with the goal to remove or simplify scoring items that are most likely to be litigious, but should maintain scoring items that allow the corporation to differentiate and choose the best developments for funding. With these changes, Florida Housing Finance Corporation must adopt an approach that discourages developers from not having completed "ability to proceed" items by the start of the credit underwriting process. Before implementation, the corporation should workshop these proposals with stakeholders participating in Florida Housing Finance Corporation programs.

WORKGROUP FINDING

The Workgroup finds that the existing affordable rental housing stock is aging, particularly housing geared to serve extremely low income Floridians with federal project-based rental subsidies. Because of restricted rents at many properties, including those in Florida Housing Finance Corporation's portfolio, many properties do not have the resources needed to recapitalize and rehabilitate properties to adequately serve residents over their long affordability periods.

Recommendation: Florida Housing Finance Corporation should continue to develop a more robust rental preservation strategy that includes, but is not limited to, recapitalization opportunities of properties in Florida Housing Finance Corporation's portfolio.

WORKGROUP FINDING

The Workgroup finds that many local governments are looking for ways to leverage their local dollars with other financing to assist them in meeting local affordable rental housing objectives.

Recommendation: Florida Housing Finance Corporation should continue implementation of the Local Government Area of Opportunity Preference in Low Income Housing Tax Credit Requests for Applications for large counties, and explore the expansion of its use in medium and small counties.

WORKGROUP FINDING

Extremely low income units are the most expensive to finance because of the very limited rents these units provide to offset debt/operations on a property. Florida has the greatest need for these units, yet there are relatively few of them in Florida Housing Finance Corporation Finance Corporation's portfolio because they are so expensive to finance.

Recommendation: Florida Housing Finance Corporation should evaluate strategies other states use to provide Low Income Housing Tax Credit financing for extremely low income units, and implement promising strategies that are financially feasible.

WORKGROUP FINDING

The Workgroup finds that, while a simple evaluation of the need for rental housing for cost-burdened and other persons with special needs and homeless people is carried out every three years pursuant to the SAIL statute, Florida has a very limited understanding of the variety of housing needs across these sub-populations.

Recommendation: Florida Housing Finance Corporation should find the resources to conduct a state level needs assessment to identify the statewide affordable and supportive housing needs by special needs and homeless populations and perform financial modeling to address the housing needs of each sub-population.

WORKGROUP FINDING

Based on the late-2017 Link report provided by the corporation, the Workgroup finds that Florida Housing Finance Corporation is still having difficulty in meeting the intent of the Link Strategy. Holding available units open for a limited time adds another barrier for extremely low income persons with special needs to access units set aside specifically for these households. Even though Florida Housing Finance Corporation has recently extended the hold period to 30 days, the Workgroup finds that this extended period still does not meet the intent of using public resources to ensure the intended households have access to the units specifically set aside to serve them.

Recommendation: Florida Housing Finance Corporation should convene a working group to develop policies to fulfill the requirement that all developments with the commitment to set aside units for extremely low income households with special needs through the Link Strategy comply with the requirement and hold them available until a referred household leases the unit. The working group should include developers, property managers, participating Link supportive service providers and others to develop such an approach, including policies to address when exceptions to this requirement are needed.

WORKGROUP FINDING

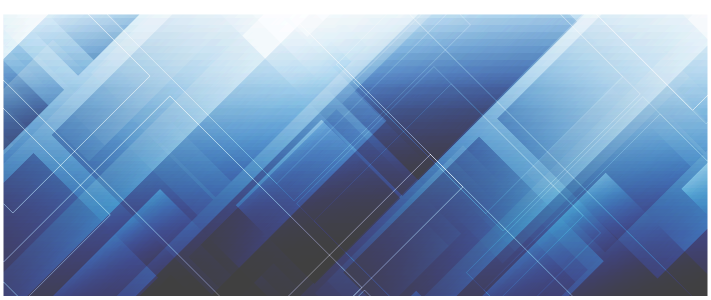
The Workgroup finds that low barrier entry procedures for prospective tenants with extremely low incomes are necessary to ensure that these citizens are given an opportunity to access decent, affordable housing throughout Florida Housing Finance Corporation's portfolio of rental properties.

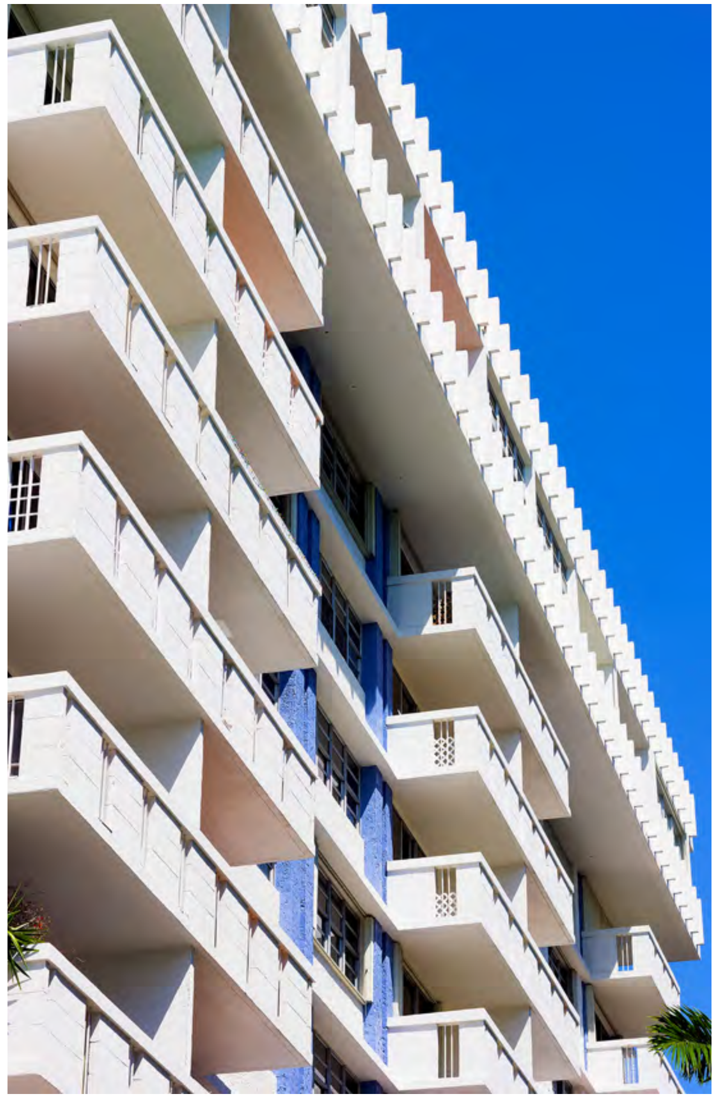
Recommendation: Florida Housing Finance Corporation should adopt comprehensive low barrier entry requirements as well as requirements to lower barriers to continued occupancy for general occupancy properties, targeted to all units set aside for extremely low income tenants, including but not limited to Link units. This requirement should include development of standards for implementation and training geared to developers and property managers. The corporation should convene a workgroup of subject matter experts, including property managers, fair housing experts, developers and others, to assist in development of standardized requirements.

WORKGROUP FINDING

Nonprofit development organizations are critical to support, because they are more likely to develop properties to serve persons with special needs who have extremely low incomes. The workgroup finds that Florida Housing Finance Corporation's credit underwriting process treats nonprofit developers the same or similarly to for-profit developers. However, transactions undertaken by 100 percent nonprofit organizations often use non-traditional financing for development and operations that do not fit well into the traditional credit underwriting framework.

Recommendation: Florida Housing Finance Corporation should create a workgroup of subject matter experts to create an alternative credit underwriting approach for developments serving persons with special needs and homeless households developed and/or operated by nonprofit organizations.





LOCAL HOUSING FINANCE AUTHORITY TAX EXEMPTION OF MORTGAGES

WORKGROUP FINDING

Current law provides an exemption from documentary stamp and intangible taxes related to mortgages financed by or on behalf of local housing finance agencies (HFAs) when the mortgage is made in connection with bonds issued by a local HFA [Section 159.621(1), F.S.]. However, most local HFAs also operate homeownership programs that do not use bond financing. Florida Housing Finance Corporation is granted the exemption for any mortgage, while local HFAs are not.

Recommendation: The Legislature should adopt legislation that would provide an exemption from documentary stamp and intangible taxes related to all mortgages financed by or on behalf of local housing finance agencies.

Summary of the Affordable Housing Need in Florida

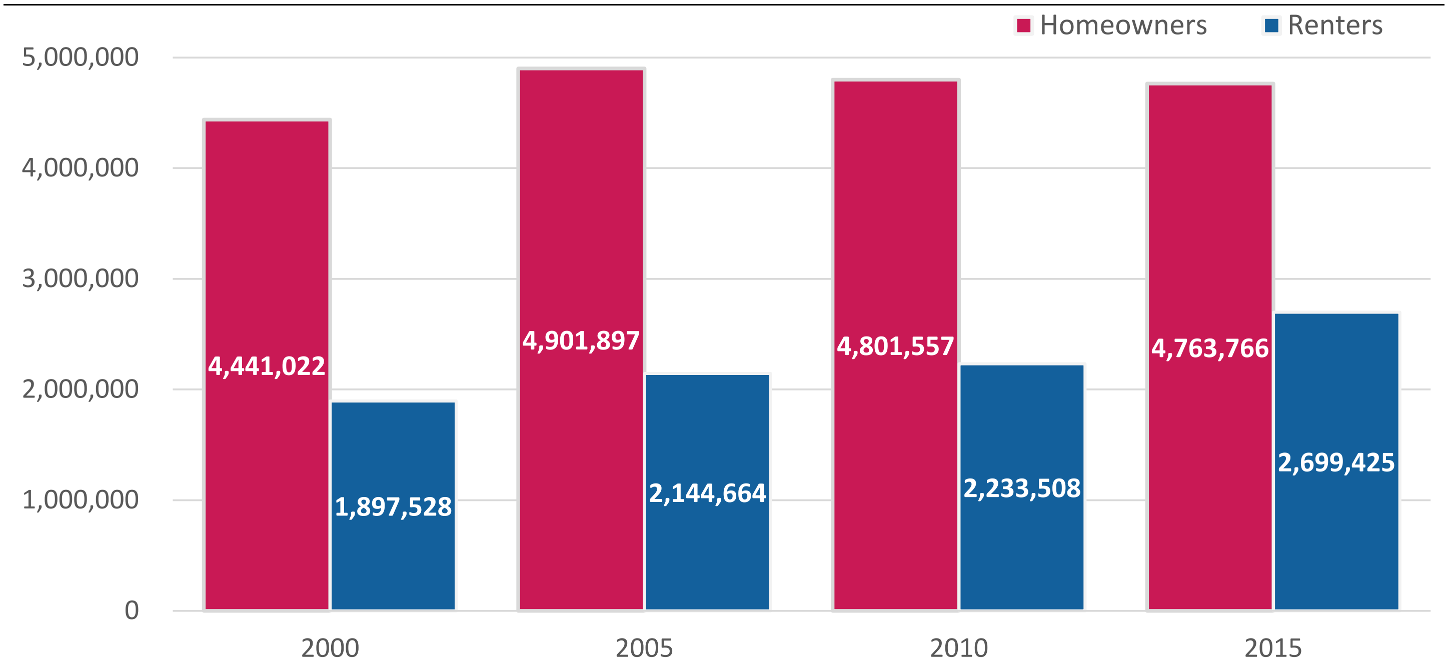
The Workgroup's legislative charge included a review of market rate and affordable housing developments. The charge also included a review of the rental market for assisted rental housing. This section of the report summarizes the information reviewed by the Workgroup to provide a foundation for the group's deliberations.

Tenure (Owner/Renter Status)

Most Florida households own their homes, but the state's renter population has grown rapidly in recent years. Florida added 460,875 homeowners between 2000 and 2005 as the housing market strengthened (Figure 1). Homeownership peaked in 2005, then fell slowly in the following years during the economic recession. As a result, the net growth in the number of homeowners between 2000 and 2015 was just seven percent.

In contrast, the number of renters grew during both the strong and weak market periods. Florida added 801,897 renter households between 2000 and 2015, a 42 percent increase. Over half of the increase took place between 2010 and 2015.

Figure 1. Households by Tenure, Florida, 2000-2015

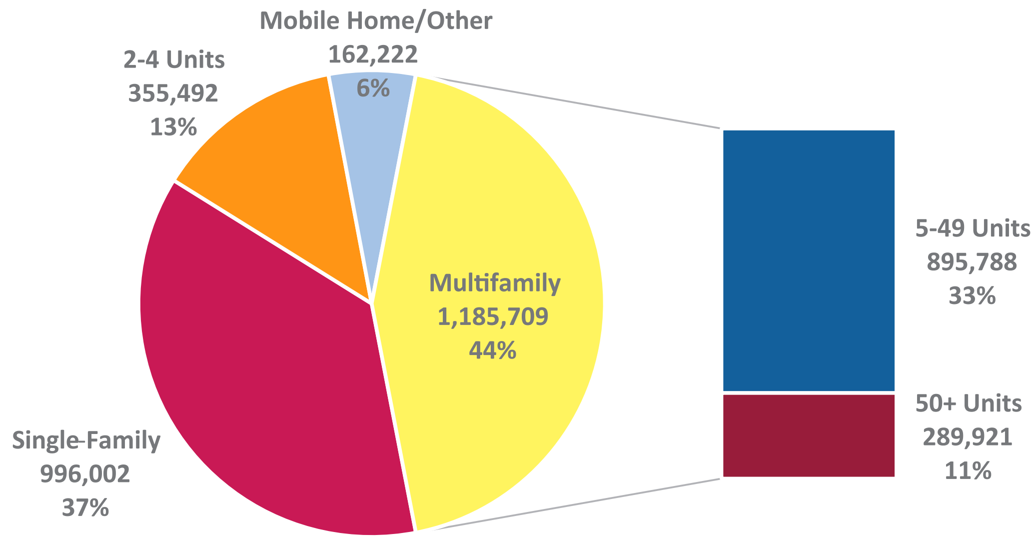


Source: U.S. Census Bureau, 2000 Census and 2005/2010/2015 American Community Survey 1-Year Public Use Microdata Sample (PUMS); compiled by the Shimberg Center for Housing Studies, University of Florida.

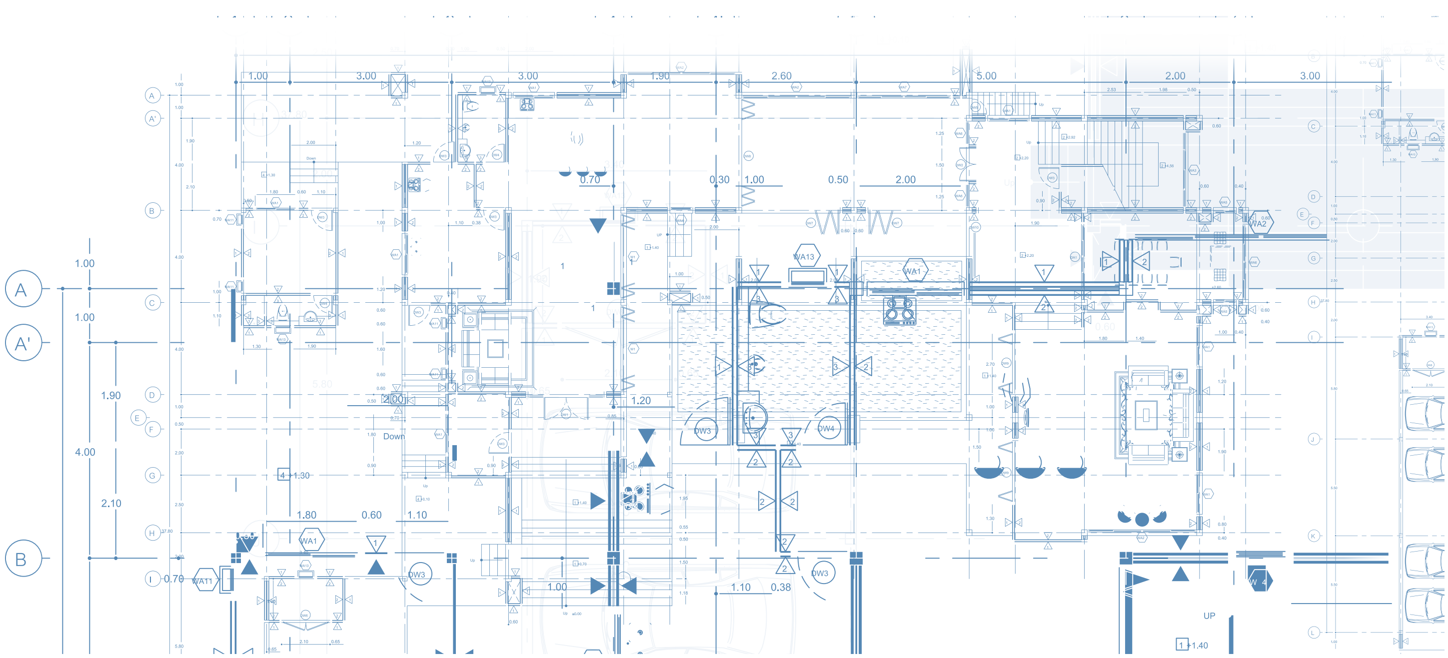
Florida's Rental Housing Stock

While high-rises and large garden apartment buildings may be the most visible rental developments, most of Florida's renters actually live in smaller buildings. More than one-third of renters live in single family homes (37 percent; see Figure 2). The second and third most common structure types are 5-49 unit and 2-4 unit buildings; note that this includes small buildings that are grouped together into a larger apartment complex. Only 11 percent of renters live in buildings with 50 or more units.

Figure 2. Structure Type for Occupied Units, Renters Only, Florida, 2015

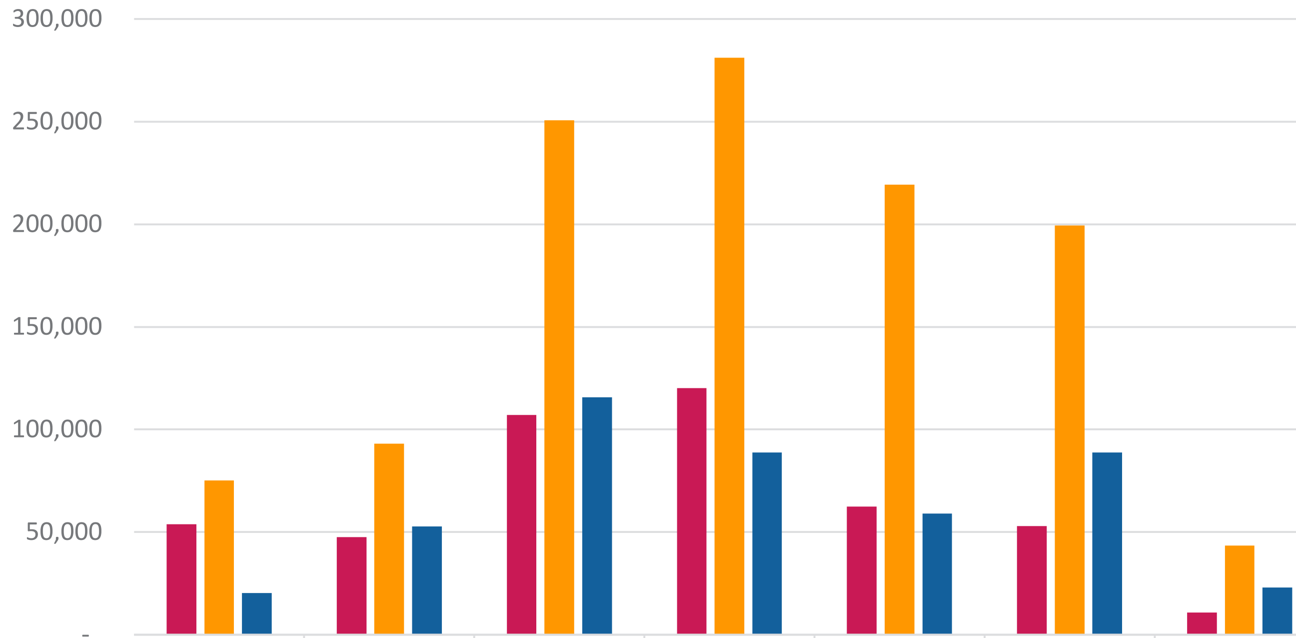


Source: U.S. Census Bureau, 2015 American Community Survey 1-Year Public Use Microdata Sample (PUMS), compiled by the Shimberg Center for Housing Studies, University of Florida.



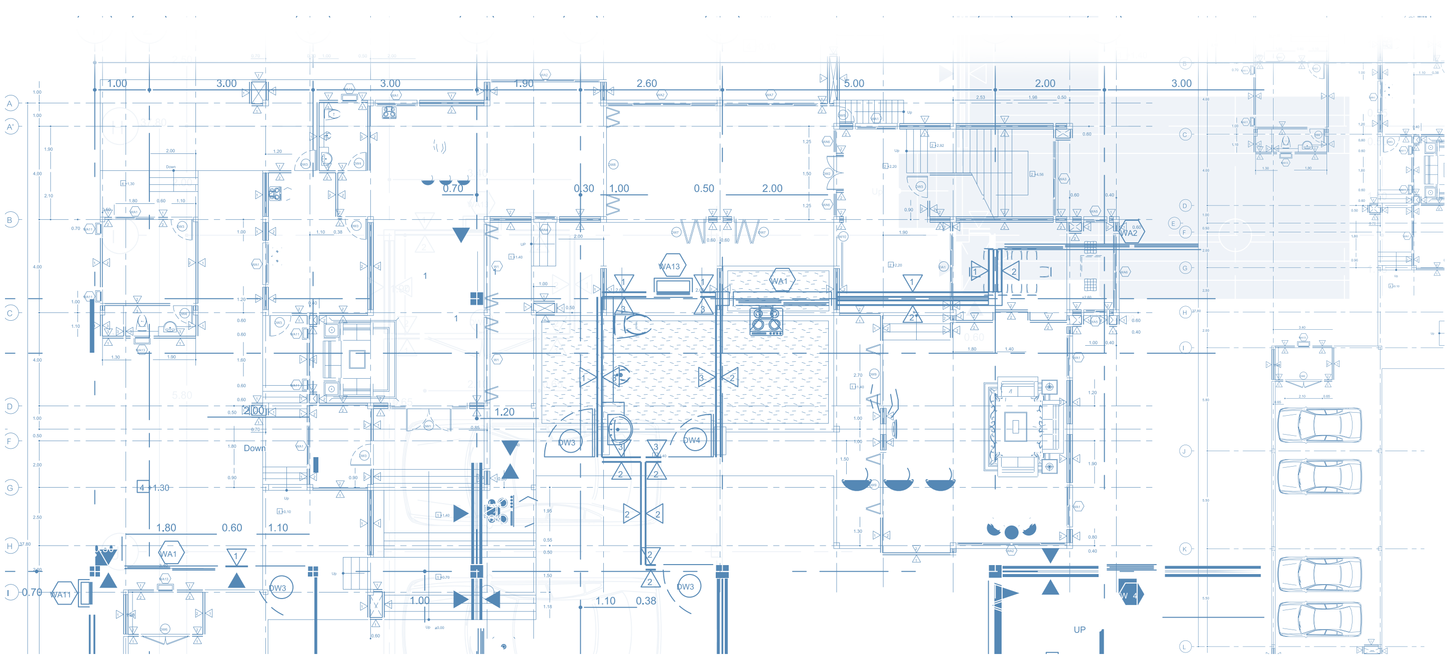
Florida's multifamily stock is aging. Figure 3 shows the number of multifamily units built by year and building type. These include both owner- and renter-occupied units. The largest share of units in smaller multifamily buildings (2-4 and 5-49 units) was built in the 1980s, while the largest share of units in 50+ unit buildings dates to the 1970s.

Figure 3. Occupied Units by Decade of Construction, Multi-Unit Structures, Florida, 2015



	Prior to 1960	1960-1969	1970-1979	1980-1989	1990-1999	2000-2009	2010-2015
2-4 Apartments	53,879	47,632	107,099	120,184	62,480	52,897	10,778
5-49 Apartments	75,098	93,088	250,646	281,109	219,208	199,353	43,429
50+ Apartments	20,244	52,805	115,643	88,849	58,990	88,710	22,987

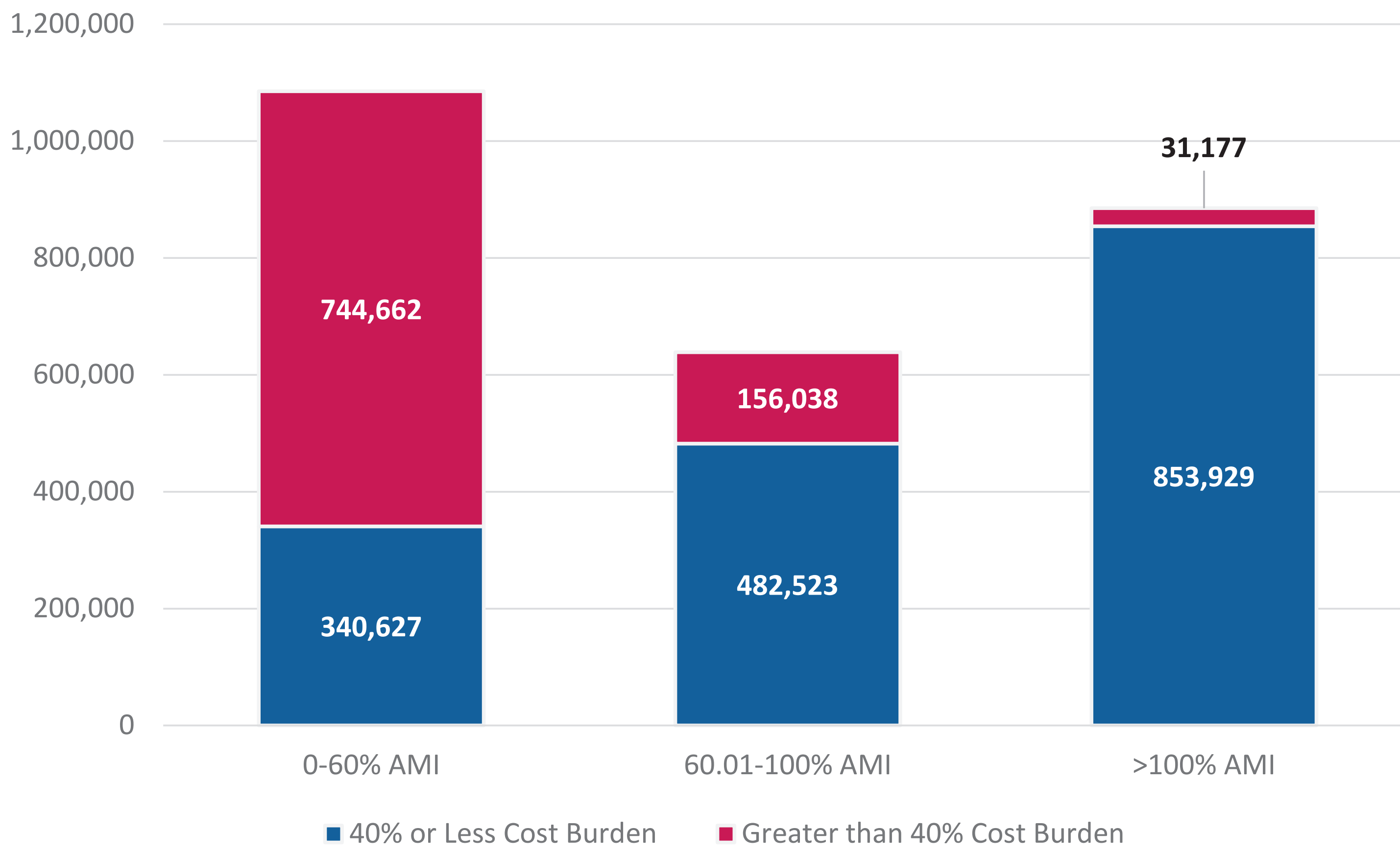
Source: U.S. Census Bureau, 2015 American Community Survey 1-Year Public Use Microdata Sample (PUMS), compiled by the Shimberg Center for Housing Studies, University of Florida.



Affordable Rental Housing Needs

Florida's affordable housing needs are concentrated among low income renters, defined as households with incomes at or below 60 percent of the area median income (AMI). As Figure 4 shows, most of these households are "cost burdened"; that is, they pay more than 40 percent of their income for rent and utilities. Sixty-nine percent of renters with incomes at or below 60 percent of AMI are cost burdened, compared to 24 percent of renters at 60-100 percent of AMI and just 4 percent of renters with incomes above 100 percent of AMI.

Figure 4. Renter Households by Cost Burden and Income (% AMI), Florida, 2015

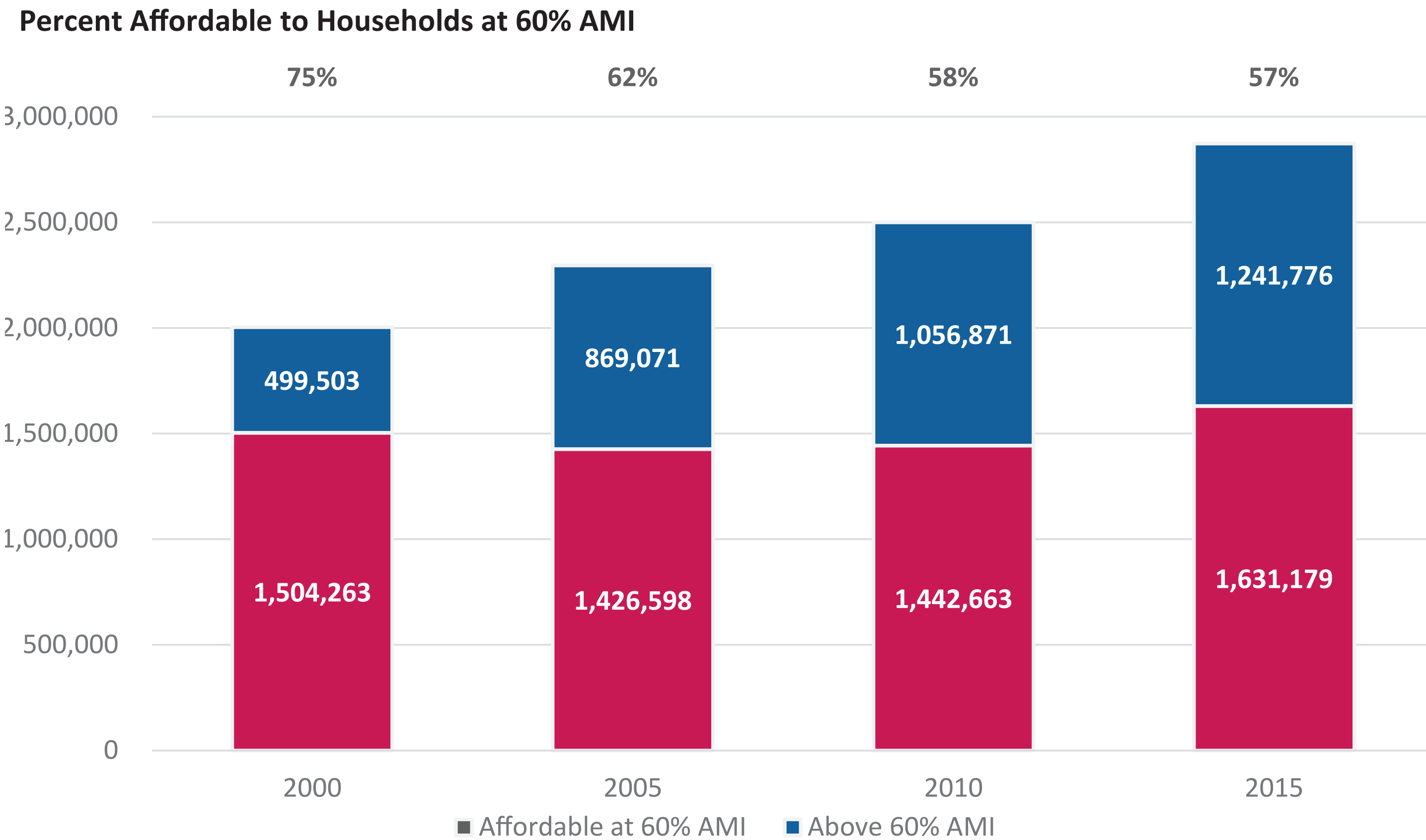


Source: U.S. Census Bureau, 2015 American Community Survey 1-Year Public Use Microdata Sample (PUMS), compiled by the Shimberg Center for Housing Studies, University of Florida.

While Florida's renter population has greatly increased over the past 15 years, the supply of affordable rental units has grown much more slowly. Figure 5 traces the changes in Florida's rental supply. An "affordable" unit is any market rate, subsidized, or public housing unit for which a household at 60 percent of AMI would pay no more than 40 percent of income for gross rent.

As Figure 5 shows, between 2000 and 2015, Florida added 869,189 rental units, but only 15 percent of these were affordable units. As a result, the share of the state's rental supply that could be considered affordable dropped from 75 percent in 2000 to 57 percent in 2015.

Figure 5. Rental Units by Affordability Level, Florida, Change from 2000 to 2015



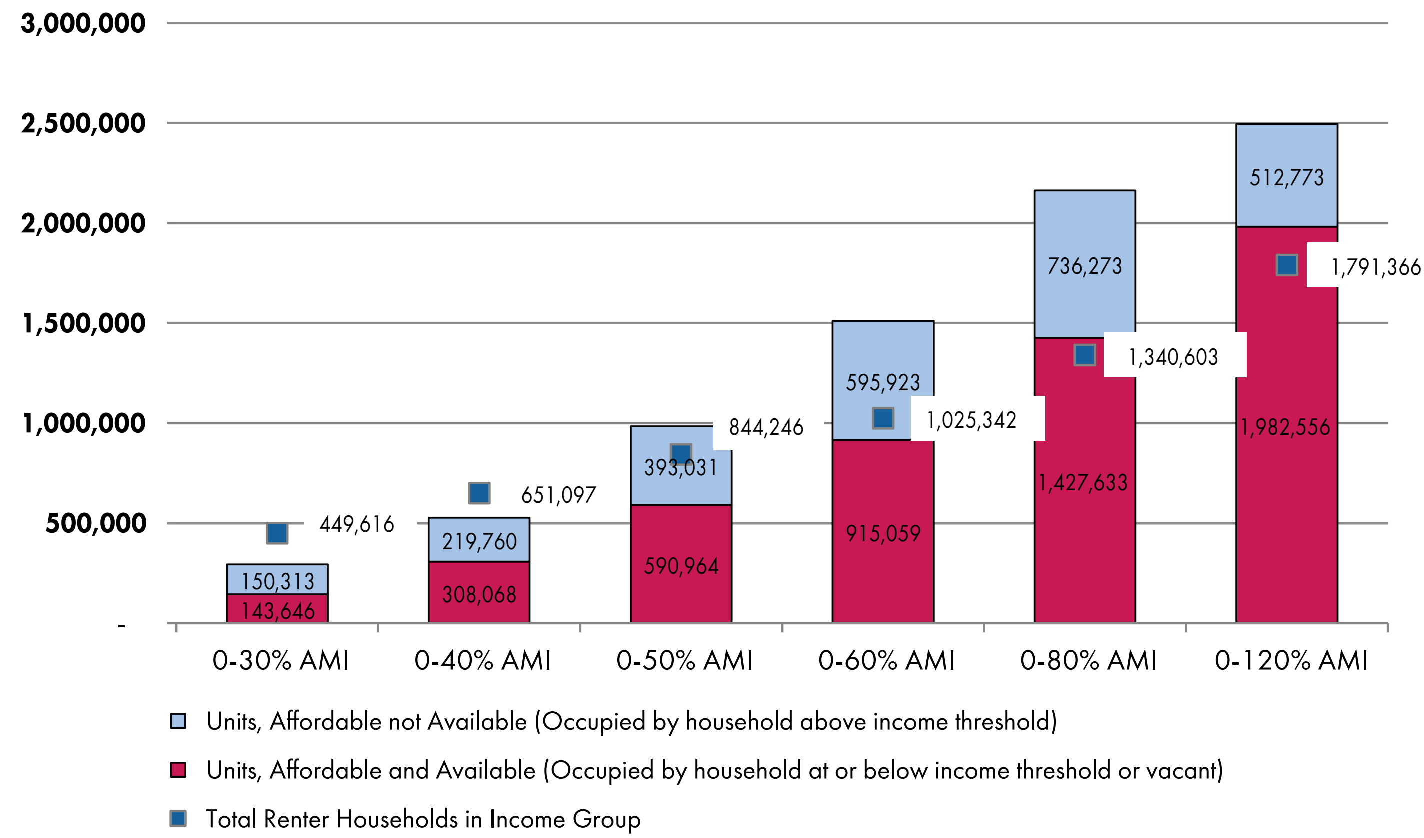
Source: U.S. Census Bureau, 2000 Census and 2005/2010/2015 American Community Survey 1-Year Public Use Microdata Sample (PUMS), compiled by the Shimberg Center for Housing Studies, University of Florida.

Moreover, many units that might be affordable for low income households are effectively unavailable to them because they are occupied by higher income households, mainly market-rate units. An "affordable/available" unit is both affordable at a given income threshold and either vacant or occupied by a household below that income threshold.

Figure 6 shows the availability of affordable units to renter households below a series of income thresholds (30 percent of AMI, 40 percent of AMI, and so forth). The bars represent affordable units, either available (red) or occupied by a household above the income threshold (blue). Squares represent the number of renters at or below the income threshold. Again, a unit is "affordable" if its gross rent is at or below 40 percent of income for each income threshold.

As Figure 6 shows, at 0-30 percent and 0-40 percent AMI, there are more renter households than affordable units, whether available or not. At 0-50 percent and 0-60 percent AMI, there are more affordable units than renters, but still a shortage of affordable and available units, since many affordable units are rented by households with higher incomes. For the 0-80 percent and 0-120 percent AMI bands, the number of affordable and available units exceeds the number of renter households.

Figure 6. Affordable Units, Affordable/Available Units, and Renter Households by Income, Florida, 2010-2014



Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Public Use Microdata Sample (PUMS), compiled by the Shimberg Center for Housing Studies, University of Florida.

Rental Housing Needs of Subpopulations

The 2016 Statewide Rental Market Study prepared for Florida Housing by the Shimberg Center estimates subpopulations potentially in need of affordable rental housing:

Older Adults (age 55 and older): Statewide, 31 percent of cost burdened renter households are headed by persons age 55 and older, including five percent headed by someone age 75-84 and four percent headed by someone age 85 or older. In all, there are 234,231 low income, cost burdened older renter households.

Homeless Families and Individuals: An estimated 32,533 individuals were homeless in Florida in 2016, including single adults, married adults without children, unaccompanied youth, children in sibling groups or other similar groups, and adolescent parents with children. An estimated 32,304 families with children were homeless. This includes 3,053 sheltered and unsheltered families and 29,251 families doubled up with others and in hotels and motels.

Farmworkers: Florida had an estimated 105,395 farmworkers in 91,987 households: 61,091 unaccompanied individuals and 30,896 family households. Statewide, there were 61,091 unaccompanied workers and 34,451 permitted migrant camp beds, yielding a need for 26,640 additional beds for single workers. There were 30,986 accompanied households and 5,591 multifamily farmworker set-aside units, yielding a need for 25,305 additional multifamily units.

Special Needs Households: The Rental Market Study estimated that 119,324 households with special needs were potentially in need of affordable rental housing. These included 107,856 cost burdened renter households receiving disability-related benefits; 8,295 households being served by domestic violence emergency shelters; and 3,173 young adults aging out of foster care.

Florida's Subsidized Rental Housing

There are three types of publicly subsidized rental housing units in Florida:

- Assisted housing consists of privately owned, publicly assisted developments. The for profit and nonprofit owners of assisted housing accept restrictions on tenant incomes and rents in exchange for government subsidies such as low-cost loans, grants and rent subsidies. Major assisted housing funding sources include the Low Income Housing Tax Credit, State Apartment Incentive Loan, HUD and USDA mortgages and rental assistance, and private activity bond financing from the state and local housing finance authorities.
- Public housing is both publicly funded and publicly owned. Local public housing authorities own and manage public housing, with funding from the U.S. Department of Housing and Urban Development (HUD).
- Housing Choice Vouchers are monthly rent subsidies that are provided to individual tenants so that they can afford housing available on the private market. Vouchers are funded by HUD and administered by public housing authorities.

As Figure 7 shows, the assisted housing stock is by far the largest source of subsidized rental housing in the state. The different types of assistance can overlap when vouchers are used in assisted units or funding from Florida Housing is used to preserve public housing developments.

Florida's public and assisted housing units serve renters with incomes well below the state average (Figure 8). The average income for all renters in the state was $47,096, nearly double the average of $24,693 in Florida Housing properties. Incomes are particularly low in developments with ongoing federal rental assistance, including those with project-based rental assistance from HUD or USDA, public housing, and Florida Housing units with voucher holders. Tenants in these units generally pay 30 percent of their income for housing costs, with the federal government providing ongoing funding to make up the difference between that amount and the total rent for the unit.

Figure 7. Types of Subsidized Rental Units

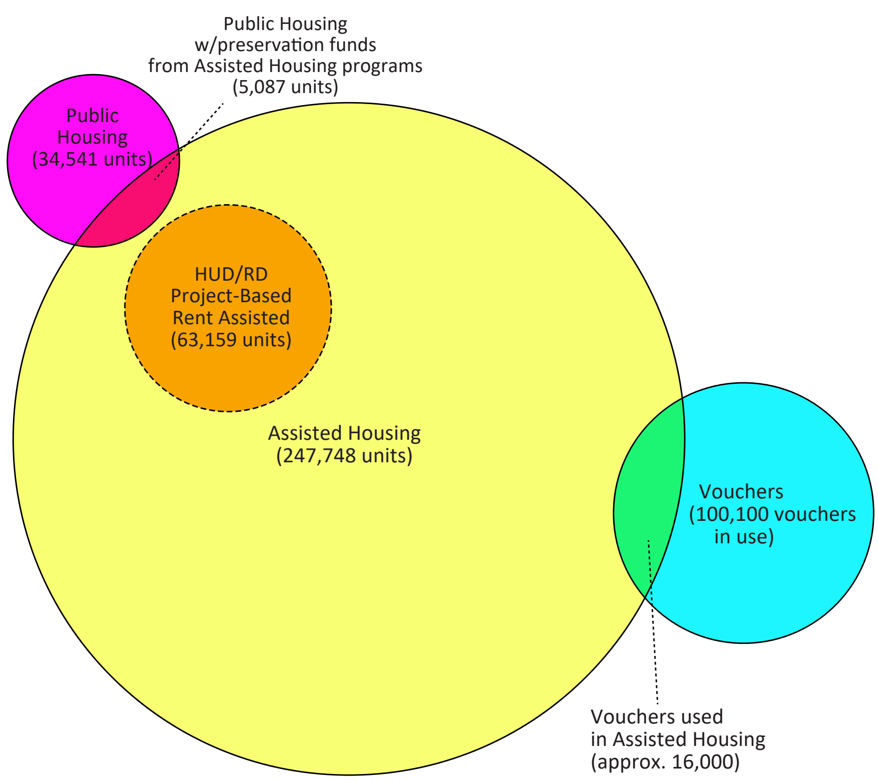
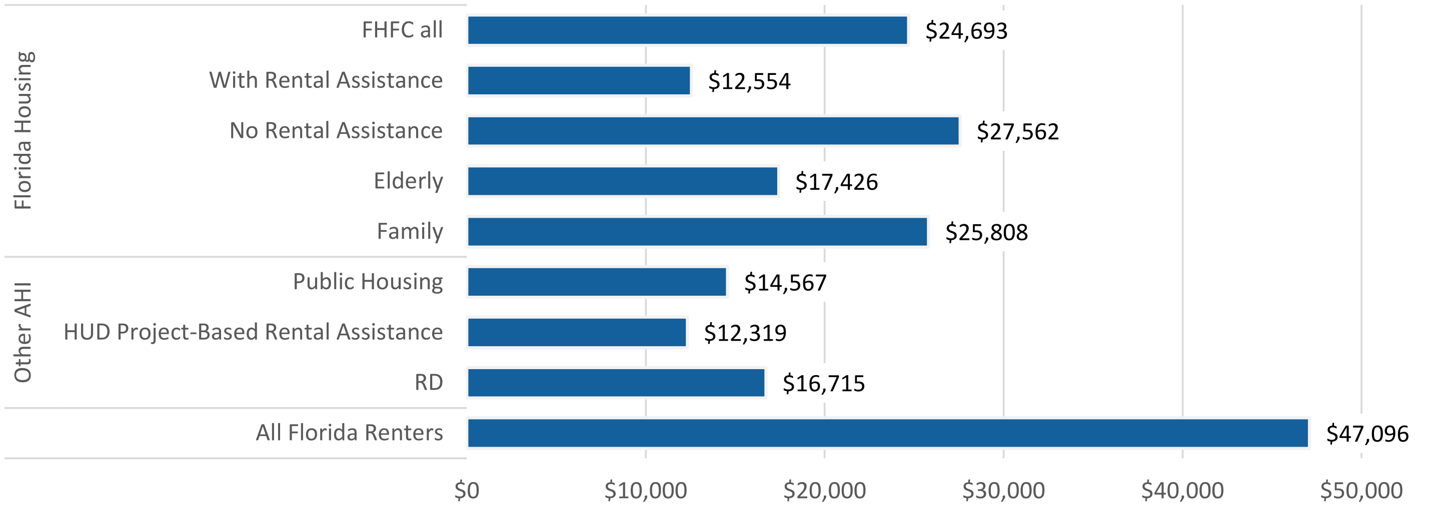
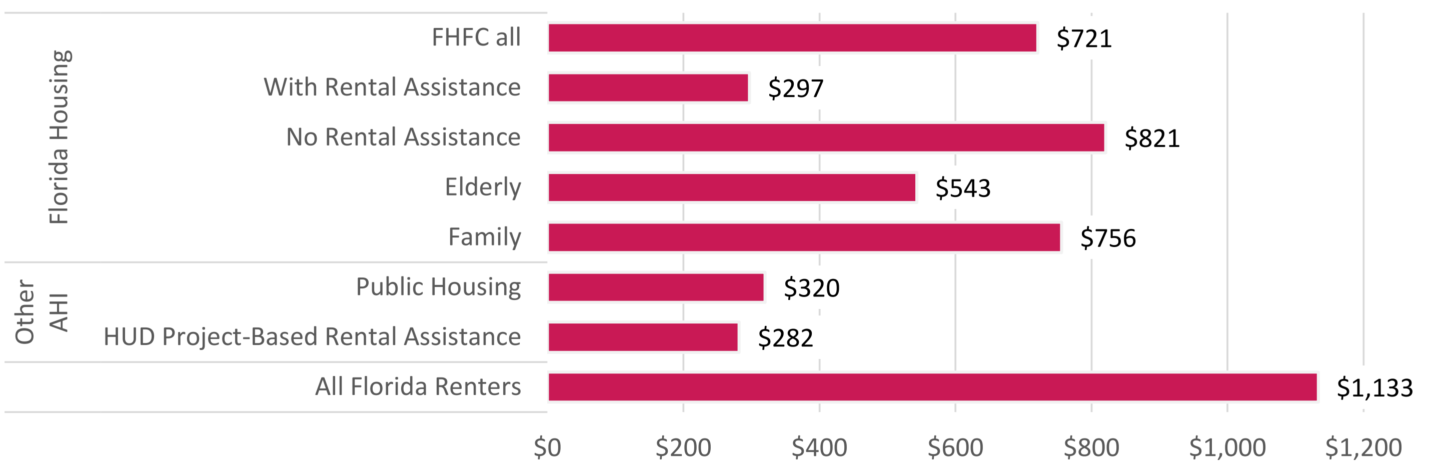


Figure 8. Average Annual Household Income, 2016



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory; U.S. Census Bureau, 2015 American Community Survey 1-Year Public Use Microdata Sample (PUMS). "All Florida Renters" numbers refer to 2015. Compiled by the Shimberg Center for Housing Studies, University of Florida.

Figure 9. Average Tenant-Paid Gross Rent (Rent + Utilities), 2016



Source: Shimberg Center for Housing Studies, Assisted Housing Inventory; U.S. Census Bureau, 2015 American Community Survey 1-Year Public Use Microdata Sample (PUMS). "All Florida Renters" numbers refer to 2015. Compiled by the Shimberg Center for Housing Studies, University of Florida.

Similarly, tenants pay much lower rents in public and assisted housing than in the state's overall housing stock. As shown in Figure 9, the average tenant-paid gross rent for all Florida Housing units was $721 per month in 2016, compared to $1,133 for all units. Again, deep federal rental assistance enabled residents of public housing and other federally assisted units to pay the lowest rents by far, under $400 per month on average.

A Report on the ALICE Population

The United Way of Florida issues a regular report on the "ALICE population" – Asset Limited, Income Constrained, Employed families that that do not earn enough to afford basic necessities. The United Way defines ALICE households as having incomes above the Federal Poverty Level, but still struggle to afford basic necessities. The "AT-A-Glance" data from the 2017 ALICE report are provided on the following pages.

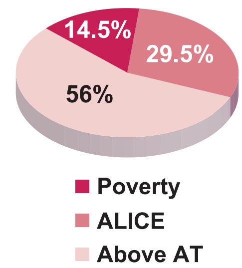
AT-A-GLANCE: FLORIDA (2015 DATA)

Point-in-Time Data

Population: 20,271,272 | Number of Counties: 67 | Number of Households: 7,458,155

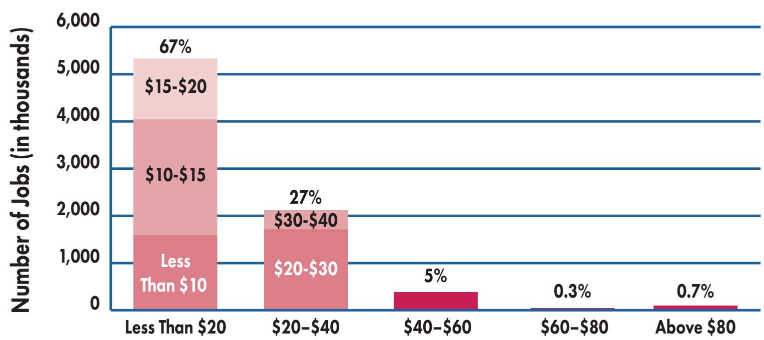
How many households are struggling?

ALICE, an acronym for Asset Limited, Income Constrained, Employed, are households that earn more than the Federal Poverty Level (FPL), but less than what it costs to survive (the ALICE Threshold, or AT) for the state. Of Florida's 7.5 million households, 14.5 percent earn below the FPL and another 29.5 percent are ALICE, well above the 2007 level.



How much does ALICE earn?

In Florida, 67 percent of jobs pay less than $20 per hour, with three-quarters of those paying less than $15 per hour. Another 27 percent of jobs pay between $20 and $40 per hour. Only 5 percent of jobs pay above $40 per hour.



What does it cost to afford the basic necessities?

This bare-minimum Household Survival Budget increased by an average of 19 percent from 2007 to 2015, while the rate of inflation was 14 percent. Affording only a very modest living, this budget is still significantly more than the Federal Poverty Level of $11,770 for a single adult and $24,250 for a family of four.

Average Monthly Costs, Florida, 2015

	SINGLE ADULT	2 ADULTS, 1 CHILD, 1 PRESCHOOLER	2007–2015 PERCENT INCREASE
Monthly Costs			
Housing	$609	$842	22%
Child Care	N/A	$1,015	10%
Food	$165	$547	14%
Transportation	$326	$653	2%
Health Care	$164	$628	>48%*
Miscellaneous	$145	$408	19%
Taxes	$189	$395	20%
Monthly Total	$1,598	$4,488	19%
ANNUAL TOTAL	**$19,176**	**$53,856**	**19%**

*Increase in out-of-pocket health care costs from 2007 to 2015 was 48 percent; increase including ACA penalty was 74 percent.
Note: Percent increases are an average of the percent change in each category for a single-adult and for a four-person family.
Source: American Community Survey, U.S. Department of Housing and Urban Development (HUD); U.S. Department of Agriculture (USDA); Bureau of Labor Statistics (BLS); Internal Revenue Service (IRS) and Florida Department of Education, 2015.

AT-A-GLANCE: FLORIDA, 2015

Point-in-Time Data

Population: 20,271,272 | Number of Counties: 67 | Number of Households: 7,458,155

Florida Counties, 2015		
County	**Total HH**	**% ALICE & Poverty**
Alachua	96,427	46%
Baker	8,205	46%
Bay	69,337	41%
Bradford	8,770	50%
Brevard	225,682	34%
Broward	673,870	44%
Calhoun	4,784	58%
Charlotte	72,671	40%
Citrus	60,541	43%
Clay	71,733	33%
Collier	134,906	33%
Columbia	24,238	45%
DeSoto	11,238	58%
Dixie	6,051	55%
Duval	343,467	37%
Escambia	116,814	38%
Flagler	39,281	45%
Franklin	4,338	51%
Gadsden	16,964	56%
Gilchrist	6,187	50%
Glades	3,920	65%
Gulf	5,349	49%
Hamilton	4,688	57%
Hardee	7,618	65%
Hendry	11,345	64%
Hernando	70,713	42%
Highlands	41,116	49%
Hillsborough	503,154	42%
Holmes	6,828	56%
Indian River	55,494	40%
Jackson	16,309	58%
Jefferson	5,411	49%
Lafayette	2,493	57%
Lake	126,519	41%

Florida Counties, 2015		
County	**Total HH**	**% ALICE & Poverty**
Lee	263,694	43%
Leon	109,209	41%
Levy	15,516	50%
Liberty	2,433	52%
Madison	6,614	56%
Manatee	134,690	43%
Marion	125,227	47%
Martin	65,101	41%
Miami-Dade	857,712	61%
Monroe	31,391	46%
Nassau	29,674	37%
Okaloosa	76,721	33%
Okeechobee	13,046	58%
Orange	457,736	43%
Osceola	98,301	60%
Palm Beach	545,780	40%
Pasco	192,628	42%
Pinellas	400,209	41%
Polk	227,122	51%
Putnam	28,165	52%
Santa Rosa	60,861	33%
Sarasota	177,807	33%
Seminole	162,739	37%
St. Johns	83,247	28%
St. Lucie	108,811	46%
Sumter	48,039	42%
Suwannee	15,649	48%
Taylor	7,605	55%
Union	3,883	70%
Volusia	209,657	42%
Wakulla	10,691	39%
Walton	23,490	42%
Washington	8,246	51%

Funding to Implement Florida's Affordable Housing Programs

Funding for Sadowski Act Programs

Florida recognized the need for affordable housing with the creation of the Florida Housing Finance Agency (precursor to the Florida Housing Finance Corporation) in 1980. The primary funding mechanism for the agency was federal Bond financing, with money borrowed through the sale of tax exempt bonds for loans to first-time homebuyers and developers of affordable rentals. But Florida Housing found that down payment assistance and gap financing were needed to make these bond transactions work. To this end, the 1988 Legislature created the Homeownership Assistance Program (HAP) and the State Apartment Incentive Loan (SAIL) rental program.

However, there was no reliable source of revenue to fund Florida's housing programs. Between 1988 and 1992, the programs were funded with general revenue, with inconsistent and unreliable funding levels. The William E. Sadowski Act was enacted by the Legislature in 1992. Two trust funds were created: the local government and state housing trust funds. Today, 70 percent of specified revenues go into the local fund, and 30 percent to the state fund. The local fund is meant to provide monies for the State Housing Initiatives Partnership, or SHIP, Program, which provides funding to all 67 counties and the large, entitlement cities. The state trust fund is mainly used to provide monies for the state programs.

The source of funding is the documentary stamp tax on real estate deeds. The "doc" stamp tax was chosen for two reasons. First, there is a rational nexus between real estate activity and housing. Second, and more importantly, doc stamp revenues increase as the population grows, more real estate transactions occur and housing prices increase. This is particularly important in Florida, which generally has high population growth.

From 1992 through 2002, the Legislature routinely appropriated all monies in the trust funds for housing programs. In 2003, sweeps were proposed to the trust funds for the first time, and in 2005 a cap limiting the distribution of doc stamp revenue into the trust funds was adopted. This $243 million cap came at a time when doc stamp revenues were very high – $450-$600 million/year. The cap was repealed in 2011, but in that same year the State Economic Enhancement and Development (SEED) Trust Fund was created, with funding partially provided by $75 million taken off the top of the housing trust funds. The SEED trust fund is still in place today.

During the Great Recession, most housing trust fund monies were swept to general revenue because of huge revenue shortfalls. After the Recession ended, the Legislature has continued to sweep monies, although appropriations for housing programs recently have increased.

A total of $6.3 billion has flowed into the two housing trust funds since 1992. Of this, close to $4.3 billion has been appropriated for housing programs, and fully $2.0 billion has been swept for other purposes – approximately one-third of the distributions over 25 years.

Funding to Implement Florida's Affordable Housing Programs

The Workgroup wanted to understand how many units have been forgone – that is, not funded or built – because of these swept funds. Based on program funding per unit over time, the Workgroup found that approximately 165,000 units, mainly homeownership, were not provided financing over 25 years.

State housing programs leverage federal housing funding. Together these programs create important economic benefits for Florida. The Florida Realtors 2016 study showed that between 2006 and 2016, considering only the SAIL and SHIP programs, the total economic impacts were $12.4 billion, 94,000+ jobs and almost $3.0 billion in wages in Florida.

WORKGROUP FINDING

At each of its four meetings, the Workgroup heard from the public and received many written comments. While many ideas were presented to the Workgroup, a consistent theme from the public is the continued need for resources to meet Florida's housing needs. The Workgroup finds that it is essential for the State of Florida to appropriately invest in affordable housing. Not only are the state funds important on their own, but they leverage critical federal financing, all of which works together to create important employment and economic benefits for the state. The housing need was already significant before Hurricane Irma struck the state.

Recommendation: The Legislature should appropriate all Sadowski funds in the State and Local Government Housing Trust Funds solely for Florida's affordable housing programs.

Land Use for Affordable Housing Development

How Land Use Impacts Affordable Housing

"Land use" involves the management and modification of both the natural and built environment to specify how it will be used. These decisions are typically determined at the local level, but impacted by federal and state land decisions as well. In Florida, local governments specify land uses in their adopted comprehensive plans, using zoning and land development regulations to provide the rules for the development process. Thus, land use may be thought of as the regulation of the use and development of real estate.

Planners and policymakers generally agree that land use controls increase the cost of building housing. In addition to monetary costs of housing, land use regulation has been shown to be exclusionary in some cases – that is, regulation has been used to defend neighborhoods and communities from low income and/or nonwhite residents moving in.

Researchers note that overall, land use policies favor incumbent homeowners in a community – those who are already living there and have provided a strong voice in the community over time in the interest of maintaining the character of their neighborhoods and property values. A number of studies mention this and the difficulty of changing regulations in this political context.

Overview of Land Use Barriers

There are many land use regulations that impact housing development. While these impacts are real, most policy makers agree that land use regulation generally is useful and serves legitimate purposes. But these regulations can intentionally or inadvertently raise housing costs or prevent development of certain types of housing.

Major regulatory barriers to housing affordability are:[i]

- **Zoning regulations** that require large lots, greatly restrict the amount of land on which multifamily housing can be built, or mandate growth within certain boundaries.
- **Environmental regulations and laws** that discourage construction on wetlands or on land inhabited by endangered species or which dictate costly environmental impact studies.
- **Subdivision regulations** requiring "gold-plated" neighborhood amenities.
- **Historic preservation regulations** that restrict construction methods or require costly preservation of structures/facades.
- **Permitting and processing procedures** that are lengthy and often duplicative, creating higher land carrying costs.
- **Fees**, including impact fees, exactions, mitigation fees and development fees.
- **Local prohibitions against manufactured housing** in most single family areas.

- **Parking regulations or other ordinances** that prohibit accessory housing units or that prevent construction of single room occupancy apartments, tiny homes and extremely small size units.

Ways barriers raise housing costs:

- **Restrictions on housing supply**, such as density limits, caps on units and allocation of large land areas for agricultural or conservation lands only.
- **Cost increases**, such as fees for various purposes, studies for environmental impacts and costly components that are part of historic preservation.
- **Delay-causing requirements**, such as lengthy permit and review processes.
- **NIMBYism (Not In My Back Yard)**, a less formal phenomenon in which citizens or neighborhoods become active in trying to prevent or restrict development.

The Monetary Cost of Land Use Regulation on Affordable Housing

Articles about land use impacts on housing mostly agree that the cost of developing housing began to diverge from the actual costs of land, materials and labor in the early 1970s as suburbanization slowed and towns began to perceive that growth could be a threat to quality of life and property values. Studies that evaluate costs across the U.S. typically note that housing affordability is more pronounced on the east and west coasts and some of the nation's bigger cities. Sanford Ikeda and Emily Washington published a paper in 2015 summarizing cost studies. Some of their findings:[ii]

- Cities were found to have regulatory impacts to housing prices of more than 10 percent.
- Built-on land can be worth many times more than vacant land on the same lot, as "surviving the regulatory process adds enormous value."
- Parking requirements can significantly increase development costs.
- Housing is not just more expensive because of regulations restricting building on previously undeveloped land, ". . .the effect is greater for smaller houses, making housing even less accessible to those on lower incomes."

The National Association of Home Builders has evaluated the average cost of regulation on housing over time. In its latest study in 2016, the data show that regulation accounts for an average 24.3 percent of the price of a new single family home.[iii] The study finds that 54.7 percent of the finished lot cost is the result of regulation. Of the costs related to building the structure itself, 14.6 percent is related to regulation. The study used survey data from a panel of single family builders to collect information, and survey respondents said that the regulatory process adds 6.6 months to the development process, with great variation in times across respondents and locales.

The Exclusionary Cost of Land Use Regulation on Affordable Housing

Land use regulation in the form of subdivision covenants often denied access to housing for nonwhite households as suburbs were developed after World War II. This allowed higher income communities to specify regulations such as minimum house sizes and large lot requirements to exclude less affluent residents from communities. Researchers have noted that higher income homeowners appear to be less impacted monetarily (and feel their property values are more protected) by land use regulation than lower income households that might want to purchase a first home.[iv]

NIMBYism

The NIMBY syndrome is public opposition to proposals for unpopular projects, including housing, being sited in or near a community or neighborhood. NIMBYism not only prevents worthy projects from being built, it limits the areas in which they are built, and is considered by affordable housing developers as a major barrier to the placement of affordable housing in areas of a community that provide good schools, employment opportunities and services. At a minimum, developers faced with NIMBYism have more time delays and spend more money on technical and legal fees to address public concerns. At worst, the housing is never built.

Findings show the preconception that building new affordable housing lowers property values is usually incorrect.[v] Property values are primarily determined by larger community factors such as overall community prosperity, including nearby large scale commercial and industrial development and the condition of area infrastructure.

SHIP Requirements to Mitigate Land Use Regulation Impacts

Each local government comprehensive plan must include a housing element. Section 163.3177(6)(f)3., Florida Statutes (F.S.), requires the element to "streamline the permitting process, and minimize costs and delays for affordable housing."

The State Housing Initiatives Partnership (SHIP) program was created to "further the housing element of the local government comprehensive plan specific to affordable housing" and is thought of as the operational funding for this purpose. Local governments participating in the SHIP program are required to prepare a Local Housing Assistance Plan which serves as the guiding document for operationalizing SHIP.

At a minimum, s. 420.9071(16), F.S., requires participating local governments to implement two strategies within SHIP: The assurance that permits for affordable housing developments are expedited to a greater degree than other projects; and an ongoing process for review of local policies, ordinances, regulations and plan provisions that increase the cost of housing prior to their adoption.

As part of its SHIP annual report process, each participating local government provides a form to Florida Housing certifying that the local government's housing incentives or local housing incentive plan is being implemented, specifically listing the two required items above. The certification also requires local governments to specify the cumulative cost per housing unit for new construction and rehabilitated housing units from these incentives.

In addition, s. 420.9076, F.S., requires each SHIP locale to go through a triennial review of its established policies, procedures, land development regulations and comprehensive plan, and recommend actions to facilitate affordable housing. This is submitted to the governing body and provided to Florida Housing.

Florida Housing Rental Programs Encourage Waivers of Local Affordable Housing Fees. Florida Housing also incentivizes local implementation of strategies to remove such barriers. The State Apartment Incentive Loan (SAIL) program requires Florida Housing to include as part of its scoring criteria for funding, "local government contributions and local government comprehensive planning and activities that promote affordable housing." Not only does Florida Housing accept commitments of funding for this purpose, a waiver of fees or a minimum one-year deferral of fees for the development in question may serve as the contribution.

Local Approaches to Impact Fees on Affordable Housing Development

The Legislature's Office of Economic and Demographic Research defines impact fees as a type of regulatory fee "imposed by local governments against new development to provide for capital facilities' costs made necessary by population growth. Rather than imposing the costs of these additional capital facilities upon the public, the purpose of impact fees is to shift the expense burden to newcomers."[vi] These one-time, up-front charges are usually paid at the time of building permit approval.

Impact fees have expanded and evolved substantially over recent decades, and currently appear in a wide variety of forms. In Florida, impact fees are governed through a combination of constitutional and statutory authority and case law. One way impact fees often intersect with affordable housing is through the granting of fee waivers or deferrals. These waivers or deferrals essentially represent a local government's commitment to subsidize and thereby incentivize the production of affordable housing. Though common, waivers for affordable housing are not ubiquitous. Like all issues related to impact fees, decisions to grant waivers for affordable housing are jurisdiction-specific and subject to local circumstances, vetting (including legal interpretation) and control.

Constitutional and Statutory Authority for Impact Fees. The Florida Constitution grants local governments broad home rule powers. Regulatory fees such as impact fees are home rule revenue sources that may be imposed pursuant to a local government's police powers in the exercise of a sovereign function. Impact fees are enacted by local home rule ordinance and are tailored to meet the infrastructure needs of new growth at the local level. Given their local creation and emphasis, impact fee calculations vary from jurisdiction to jurisdiction and from fee to fee. Impact fees also vary extensively pending on local costs, capacity needs and resources.

Case Law and the Dual Rational Nexus Test. Until 2006, the characteristics and limitations of impact fees in Florida were found almost exclusively in case law rather than state statute. The Office of Economic and Demographic Research's 2016 Local Government Financial Information Handbook summarizes the basic parameters of this history.

> As developed under case law, an impact fee imposed by a local government should meet the dual rational nexus test in order to withstand legal challenge. First, a reasonable connection, or rational nexus, should exist between the anticipated need for additional capital facilities and the population growth generated by the new development. Second, a rational nexus should exist between the local government's expenditure of impact fee proceeds and the benefits accruing to the new development from those proceeds.

Impact Fee Calculations. Given the local authority to adopt impact fees, the considerations and calculations used to set fees vary. Local governments often commission outside consultant impact studies when

contemplating new or revised fees. These studies inform local government debate surrounding fees and often become the basis for proposing impact fee ordinances.

Flat or constant fees across houses or apartments provide one of the most basic methods for establishing residential impact assessments. While relatively easy to calculate and administer, the use of fixed amounts is often deemed regressive. HUD has opined that, "Flat rate impact fees compromise affordability and are socially negative to the degree they systematically overcharge purchasers in smaller, less expensive houses or apartments and undercharge others in the most valuable houses."[vii]

Beyond simple flat fees, among the most common residential variables used to calculate impact fees are:

- Dwelling Unit Type (e.g., single-family detached, townhouse, condominium, apartment);
- Number of Bedrooms; or
- Size in Square Feet.

Modifying or Waiving Impact Fee Requirements for Affordable Housing. No matter what methodology is used to calculate and set impact fees, implicit is the notion that they apply to all groups, categories of construction or activities that create a demand for the facilities or services designated. To lessen the brunt of impact fees on affordable housing developments, many local governments in Florida pursue alternative methods of fee payment for affordable housing. While often characterized as "waivers," the fees are ultimately subsidized from another revenue source.

Though many local governments assert the necessity of replacing surrendered impact fees, there is no direct statutory provision prohibiting waivers. Because impact fee authority (and the associated ability to waive fees) is derived from constitutional home rule powers, case law remains an important current and ongoing influence.

Canvassing SHIP Administrators on Local Government Impact Fees. To provide context for the Workgroup, Florida Housing staff queried local SHIP Administrators regarding impact fee calculations and waivers in their locales (a table summarizing the information gathered is found in the appendix of this report). Responses from the 80+ reporting local governments (out of 119) varied widely. The range of methodologies utilized to set fees, combined with the assorted wavier policies linked to affordable housing, reflect the disparate nature of impact fees across the state.

Approximately one-quarter of the responding cities and counties do not currently levy any impact fees. For those which do levy impact fees, calculations based on unit type are common. These unit type calculations were cited by approximately 60 percent of respondents levying fees. Sometimes, the unit type calculation is further delineated by square footage metrics (about 33 percent referenced usage of square footage, either exclusively or in combination), numbers of bedrooms, geographic locations within the city or county, or resident status as a senior citizen. Flat fee rates were cited by just under 30 percent of the respondents. Finally, nearly 30 percent of the reporting local governments provide mechanisms to waive fees in part or whole for affordable housing.

WORKGROUP FINDING

The Workgroup's review and discussion of impact fee processes across the state confirmed the location-specific character of fees as provided for through home rule powers. In areas where impact fees are waived in some manner for affordable housing, the waivers can act as catalysts for affordable housing by mitigating development costs.

Recommendation: The Workgroup recommends that local governments assessing impact fees either waive fees outright for affordable housing or establish local dedicated funds to make such affordable housing waivers possible.

USING LAND USE TOOLS TO INCENTIVIZE AFFORDABLE HOUSING DEVELOPMENT

Density Bonus Programs

A city or county's zoning laws typically establish a limit on how many residential units can be built in specific areas and upon certain lot sizes or gross acres within those areas. Limits vary across jurisdictions and are determined through local planning processes. Some land use regulations also include density bonus programs that are designed to stimulate the supply of more affordable housing in specific areas of a municipality.

A density bonus is an incentive-based tool that allows developers to build housing units at a higher density in exchange for providing all or some of the housing units at affordable levels to lower income or specific demographic groups such as seniors or persons with special needs. In some cases, density bonus programs permit developers to build a higher number of market rate units than what would normally be allowed for an area, in exchange for including a certain number or percentage of affordable housing units in the development.[viii] In other cases, affordable-only developments are permitted to add more affordable units to the development. The additional market rate or affordable bonus units allow a developer to recover costs and revenue that are lost from providing affordable units with lower rent restrictions.

Occasionally, density bonus programs also give developers the option to pay a cash contribution to the local government in lieu of providing more affordable units. These contributions are then used to support the local government's affordable housing programs.[ix]

Florida authorizes local governments to provide density bonus incentives to developers that donate land to the local government for affordable housing pursuant to s. 420.615, F.S. This law is in place to encourage local governments to adopt an additional approach to foster development of affordable housing. In this case, the density bonus need not be related to the affordable development itself, but is in exchange for the land donation which may be located in a different area from the land receiving the density bonus.

A critical foundation for a comprehensive density bonus program is to ensure proper zoning and land use laws are in place to accommodate reasonable density increases and promote opportunities for multifamily affordable housing development.[x] Density bonus incentives are more effective when applied in high density areas or in large-scale planned developments.[xi]

To combat housing affordability issues in areas, such as downtowns, a local government may target and permit density bonus incentives.[xii] If a local government offers density bonuses for a variety of housing and other building types, its usefulness for affordable housing will be diminished. For density bonus incentives to be effective in creating additional affordable housing, they must be focused on affordable housing and rarely or never used for other purposes.

Zoning laws establishing a density bonus program typically include a set of qualifications and conditions that a developer must meet to participate in the program, including:

- Set-aside amounts that specify how many units must be reserved for affordable housing;
- Income restrictions that specify the income and/or demographic groups the development must serve, as well as associated rent restrictions;
- Affordability periods that specify how long the units must remain affordable; and
- Location requirements that dictate where affordable development must occur.

Allowing Micro-Units to Create More Affordable Housing[xiii]

In urban areas, single-person households are commonly priced out of the rental housing market. Micro-units are a common solution to this problem world-wide. Micro-units vary in size, but they are small studio apartments, typically less than 350 square feet with a functional kitchen and bathroom. Micro-unit housing is built either as a development that consists entirely of micro-units or as part of a development that includes a mix of apartments. The current market approach finds more micro-unit development in dense urban downtown regions that are close to major employment centers and neighborhoods rich with amenities.

Consumer research has found that, increasingly, U.S. individuals are willing to trade the size and space commonly found in conventional units for housing that is lower in rent and located in a prime location. This opens the possibility that within the right environment micro-units could be an attractive and less expensive option for lower income, single-person households. This is worth considering in Florida where 62 percent of cost burdened, lower income households contain one or two persons.[xiv]

Example of a Micro-Unit Floorplan

Source: Curbed NY, What is a Micro Home

Micro-Units as an Affordable Housing Option. Market rate micro-units are commonly developed for young single professionals with a low need for space and/or low desire to socialize inside their units. Tenants in this market group typically live in their unit for one or two years, and then leave to reside in a larger, more conventional apartment due to a change in family structure or a general desire for more space.

The location of a development is often the top reason an individual chooses to rent a micro-unit over a larger conventional unit. However, price is still a factor and prospective tenants are more likely to rent a micro-unit when it is priced approximately 25-30 percent below the cost of renting a conventional one or two-bedroom apartment. Access to external community and neighborhood amenities is also very important for the average micro-unit tenant.

A review of recent micro-unit affordable developments reveals that some local and state governments have provided tax benefits, low interest loans and Housing Credits to finance micro-unit developments that include all or a portion of income restricted units.

In some cases, local land use regulations impose barriers to micro-unit development, mainly due to higher minimum dwelling size limits and parking requirements for new developments. Overcoming zoning or land use barriers to development requires local government intervention, such as waivers, new ordinances or revisions to land use regulations.

Accessory Dwelling Units

Section 163.31771, F.S., encourages and authorizes local governments to permit rent restricted accessory dwelling units (ADUs) in single family residential areas to increase the availability of affordable rentals. State law defines ADUs as an ancillary or secondary living unit that has a separate kitchen, bathroom and sleeping area within the same structure or lot as the primary residence. ADUs are typically smaller than the primary residence of the homeowner and are occasionally labeled in the housing market as private accessory dwellings, mother in-law suites or granny flats.[xv]

Under the state law, local governments can adopt an ordinance that limits the rental rate of permitted ADUs. Homeowners permitted construction under this type of ordinance must sign an agreement to rent the ADU at an affordable rate to specific income groups. Local governments have the power to permit ADUs without this law, but the law emphasizes the use of ADUs to increase the supply of affordable rental housing.

<u>Barriers to Accessory Dwelling Unit Development.</u> Permitting the development of accessory dwelling units is a way for local governments to produce affordable housing without having to invest public monies.[xvi] However, factors such as land use regulations and public opinion often present a barrier to the development of ADUs. Some local government zoning regulations primarily permit single-use, single family housing in their residential areas. In these cases, to enable ADU development the zoning code would need to be amended to permit more than one unit per lot. Land use regulations such as minimum off-street parking requirements, height limitations, minimum lot size and setback requirements also constrain ADU design and development and add to the cost of construction for the homeowner.[xvii] Regulations may also restrict ADUs to be built only under special circumstances, such as limiting the use of the unit to immediate family members.

Neighborhood views on the character and values of their community can create additional barriers to the development of ADUs. Communities may object to allowing renters in their neighborhood due to the negative perception that renters will increase traffic, parking and/or decrease their property values.[xviii] Other factors such as high construction costs, limited financing for ADU construction and a homeowner's limited experience of the permitting process can also contribute to the lack of ADU development.[xix]

<u>Benefits.</u> Research shows that ADUs can increase the supply of affordable housing, increase property values as well as provide home owners the benefit of extra income.[xx] Raised property values and extra income garnered from the rental property can make a homeowner's primary residence more affordable.[xxi] ADUs are generally offered for rent below market rate, so are primed to serve people with lower incomes.[xxii]

Florida law offers a financial benefit to homeowners who construct living quarters, such as ADUs for their parents or grandparents. Section 193.703, F.S., grants counties the power to provide homeowners a reduction in the assessed value of their homestead property if a parent or grandparent is at least 62 years old and resides in a housing unit constructed on the homestead property.[xxiii]

Minimizing Parking Requirements to Lower the Cost of Affordable Housing

A 2014 Urban Land Institute (ULI) study on solutions to increase the supply of affordable rentals revealed that developers cited minimum parking requirements as the greatest regulatory barrier to housing development.[xxiv] This regulation is primarily viewed as a hindrance because of the additional construction costs that are incurred to fulfill high parking minimums set by local governments. UCLA research from 2016 also noted that more planners and city officials are recognizing that parking requirements reduce the supply of affordable housing and increase housing costs.[xxv]

Off-street parking requirements mandated by local governments add to the overall cost of developing new housing. This cost increases considerably for housing in urban areas where land values are high. The 2016 parking cost study by Victoria Transport Policy Institute (VTPI) found that on average, one off-street parking space, which is approximately 250-350 square feet, adds close to six percent to a dwelling unit cost and two parking spaces adds about 16 percent to a unit cost.[xxvi]

A 2012 Furman Center study on parking requirements and housing affordability found that developers in many dense urban areas pay for parking construction costs upfront, but costs not recouped through residential parking fees may be passed on to tenants through higher rents.[xxvii] This disproportionately impacts lower income tenants who typically have lower car ownership but are still required to take on the increase in housing costs caused by parking construction costs.

By limiting the additional cost of parking, private investment in affordable housing becomes more attractive. There are a variety of practices local governments can implement to reduce the parking cost impacts on housing construction. The ULI describes one approach in which local governments implement parking requirements based on the needs of the residents and surrounding land use, rather than a one-size fits all approach. The VTPI describes an approach for dense urban areas, where local governments can implement shared-parking facilities or allow garages in residential buildings to serve as commercial garages. The latter strategy enables developers to recoup their initials costs for parking construction. Another option is for local governments to enable developers to pay a fee in lieu of constructing parking. These fees can be used to fund off-site municipal parking facilities or support transportation initiatives, such as improving mass transit or building bike lanes.

Some local governments in the U.S. have adopted minimum off-street parking policies to encourage more developers to invest in or support affordable housing near major transit zones or transit oriented development districts.

- Denver reduces the minimum parking requirements to 0.25 parking spaces per unit for senior housing and housing affordable for residents at or below 40 percent of AMI.
- Seattle significantly reduces parking barriers by eliminating minimum parking requirements for residential uses within urban centers, transit oriented development districts or within 1,320 feet of a street with frequent transit service. Parking requirements for affordable housing for residents at or below 30 percent of AMI are reduced to 0.33 parking spaces for dwelling units with two or less bedrooms and one space for units with three or more bedrooms.
- California reduces minimum parking spaces for affordable and mixed housing to 0.5 spaces per unit, as well as 0.3 spaces per unit for special needs housing. To qualify for the reduction, a development must be within one-half mile from a major transit stop, and transit or paratransit services must be accessible to seniors and individuals with special needs.

WORKGROUP FINDING

The Workgroup finds that a variety of land use tools can be employed by local governments to support the development of affordable housing. In particular, density bonus programs are excellent tools to incentivize the production of affordable housing in a community and work best when used solely for this purpose. The Workgroup believes the most potent approach to density bonuses requires a developer to include affordable units on site in areas with excellent proximity to public transit, employment and other amenities to foster economic mobility. Additionally, micro-units and accessory dwelling units are important tools to create more affordable rental units in urbanized areas for small, cost burdened households. Finally, reducing parking requirements associated with residential development, especially in urbanized areas close to transit centers, is an important way to reduce the cost of development.

Recommendations:

- The Workgroup recommends that local governments, particularly those in urbanized areas, strongly consider incorporating density bonus programs, reduced parking minimums, and reductions of land use barriers to the development of micro-units and accessory dwelling units into their land use tool boxes to support the development of affordable housing.
- The Department of Economic Opportunity should continue to provide technical assistance to local communities assistance to implement strategies desiring to facilitate increased development of affordable rental housing.

Building Codes for Affordable Housing Development

The 2000 Legislature authorized implementation of a unified statewide Florida Building Code. Now in its fifth edition, the purpose of the code is to "establish the minimum requirements to safeguard the public health, safety and general welfare through structural strength, means of egress facilities, stability, sanitation, adequate light and ventilation, energy conservation, and safety to life and property from fire and other hazards attributed to the built environment and to provide safety to fire fighters and emergency responders during emergency operations." The Florida Building Code is harmonized with the Florida Fire Prevention Code, which is developed by the Department of Financial Services, Office of the State Fire Marshall, to establish unified and consistent standards.

As a minimum technical performance standard for all construction in the state, the Florida Building Code applies to affordable housing developments. There are no Code exemptions, special considerations or compliance carve-outs provided for affordable housing.

Adopted and updated with new editions triennially by the Florida Building Commission, the Code may also be amended annually to incorporate interpretations, clarifications and to update standards. Minimum requirements for permitting, plans review and inspections are established by the Code but local jurisdictions may adopt additional administrative requirements that are more stringent. Issues before the Commission are vetted through a workgroup process where consensus recommendations are developed and submitted by representative stakeholder groups in an open process with several opportunities for public input.

While the health, safety and welfare of the public are paramount concerns embedded within the Florida Building Code, the Code also serves to protect property investments and save insurers, the state and local governments money in mitigation costs linked to natural disasters. It is also important to note that the intent of the Code as outlined in s. 553.72, F.S., provides for flexibility in meeting performance requirements, explicitly mandating that the Code "is affordable, does not inhibit competition, and promotes innovation and new technology." In practice, this flexibility allows the use of alternative technologies across a range of price points, thus fostering novel, cost-conscious and cost-effective ways to meet code requirements.

The Code's commitment to affordability is also delineated in the specifications governing the adoption of local government technical amendments. Section 553.79 (4)(b), F.S., requires any such amendments provide a fiscal impact statement. The fiscal impact statement must include "the impact to local government relative to enforcement, the impact to property and building owners, as well as to industry, relative to the cost of compliance."

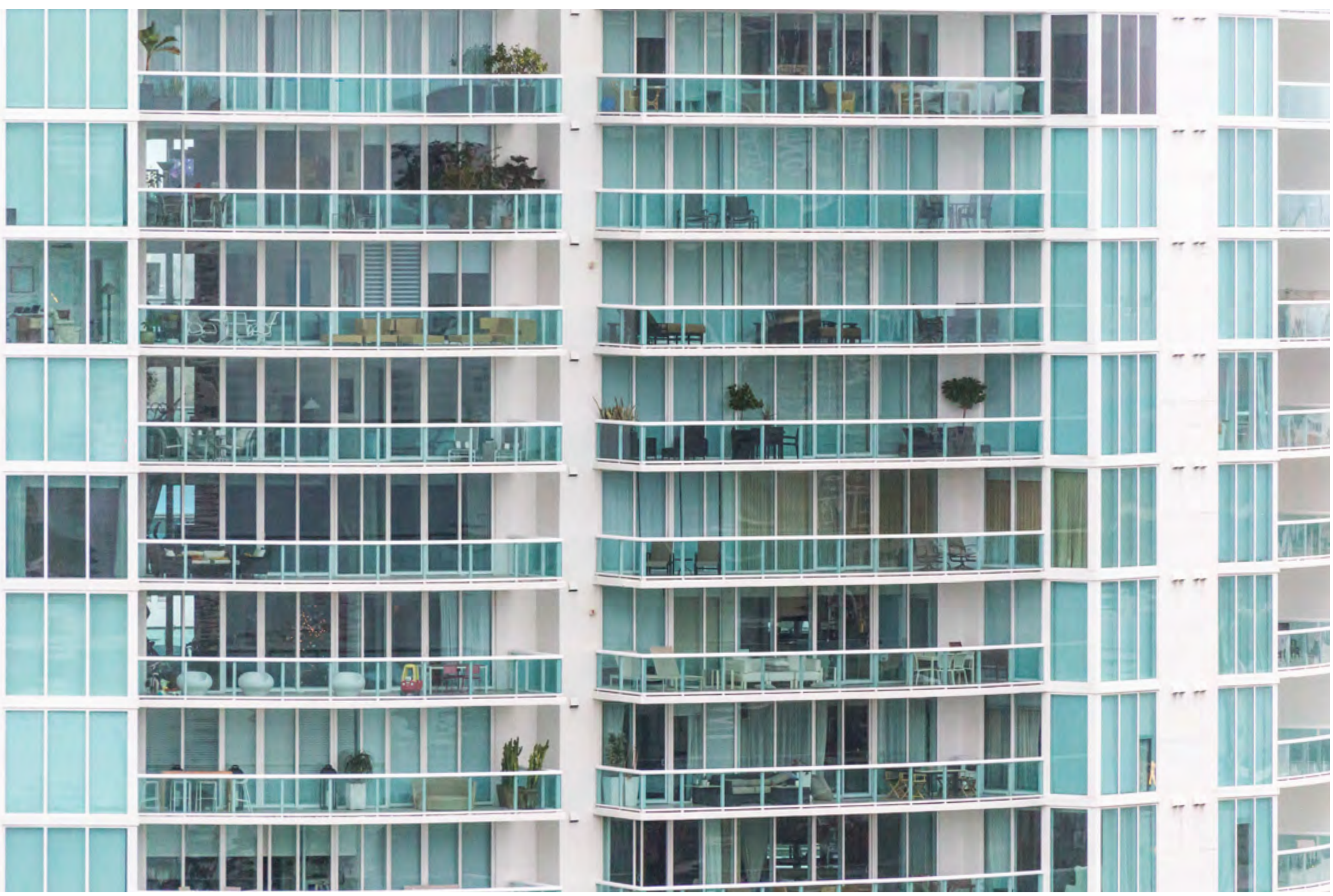
Although the Code is uniform in nature, there are a limited number of outright exemptions for certain buildings and structures such as facilities associated with railroads, temporary movie or television sets, nonresidential farm buildings and certain family mausoleums. Section 553.73(10)(k), F.S., provides that the Building Commission "may recommend to the Legislature additional categories of buildings, structures or facilities which should be exempted from the Florida Building Code."

Workgroup reviews of reports and studies found no examples from other states of 'reduced standards' building codes specifically designed for affordable housing to reduce costs. The majority of cost of housing reduction ideas proffered in the reviewed commentaries center around minimizing zoning and other development requirements and impact fees. This appears to echo findings in Glaser and Gyourko's *Rethinking Federal Housing Policy* (AEI Press, 2008) which indicate that building code regulations impact mainly in the 1-5 percent cost range, perhaps up to 10 percent.

WORKGROUP FINDING

The Florida Building Code establishes minimum technical performance requirements to safeguard the public health, safety and general welfare within the state's built environment. It includes review mechanisms for updating standards, provides flexibility to address issues of construction affordability, and promotes innovation and new technology. All of these features are critical to the successful development of affordable housing. As the 2017 hurricane season vividly displayed, structural strength and safety to property and life are essential to Florida's residents.

Recommendation: While the idea of a unique affordable housing-specific building code was explored, the Workgroup recommends that affordable housing developments continue to comply with all standards and performance criteria of the Florida Building Code going forward.



Implementation of the State Housing Initiatives Partnership Program

The State Housing Initiatives Partnership (SHIP) program provides funding to all 67 counties and entitlement cities to carry out locally determined housing activities. Every three years, SHIP-eligible local governments adopt plans to address locally defined needs. The SHIP statute provides flexibility to allow communities to establish strategies that will work best for them, but within a broad framework of requirements to ensure that the funding is spent for what it was intended for. Several statutory goals guide all local programs:

- At least 65 percent of the local SHIP allocation must be used for homeownership activities;
- At least 75 percent of the local allocation must be used for construction activities (overlapping with the goal above); and
- Up to 10 percent may be used for local costs to run the program.

The SHIP statute also specifies income levels to be served and requires 20 percent of each locale's funding to be used to serve persons with special needs.

Over time, 85-90 percent of SHIP funds have been used for homeownership, primarily down payment assistance and owner-occupied rehabilitation. SHIP has been thought of as the state's homeownership program, while the SAIL program administered by Florida Housing has been considered the state's rental program.

Using the SHIP Program to Finance Rental Housing

As a result of the recent economic recession, the homeownership rate in Florida and the nation decreased. During the foreclosure crisis, many homeowners who lost their homes turned to rental housing, and as the economy recovered and younger Floridians began to leave their parents' or friends' homes to look for housing on their own, they have been more interested in renting. With the increased need for affordable rental housing, the Workgroup looked to the SHIP Program to provide financing for this purpose.

As long as a local government meets the 65 percent homeownership requirement, it may choose to use the rest of the SHIP funding for other purposes. Assuming 10 percent for administrative costs, this leaves 25 percent for rental strategies. These broad goals do not apply to SHIP program income dollars that come back to the local government.[i] This means that local programs that receive program income in the form of loan repayments may use it for whatever allowable housing purpose is deemed needed, without the statutory restriction of the homeownership or construction goals.

The Workgroup reviewed more recent uses of SHIP to see how local governments have been using the program. During the 3-year period from 2013 through 2015, only 32 local governments out of 119 – about one-quarter of participating communities – used SHIP for rental development strategies. Overall, these 32 locales used just over 17 percent of their SHIP funds for rental purposes. Most local governments did not use any SHIP funds for rental housing.[ii] However, a few local governments told the Workgroup that they are constrained from using as much SHIP for rental strategies as they would like.

The group deliberated a proposal to remove the homeownership percentage minimum from the statute or to lower the minimum from 65 percent to something like 50 percent. Members also evaluated an idea to allow the minimum percentage to be calculated over three years of funding to allow a local government to use all or most of one year's funding for rental and still meet the 65 percent requirement over three years.

This idea was discarded due to concerns about reporting and compliance. The program has enjoyed support for 25 years, and the Workgroup did not want to recommend an approach that could jeopardize this support. In the end, the group determined that all available program dollars that could be used for rental are not yet being used by most local governments for this purpose, and as such, no change is warranted. The Workgroup did agree that local governments should be educated about ways to maximize funding for rental uses.

A Barrier to Using SHIP Funds for Rental Housing

Local governments are required to monitor rental housing funded with SHIP to ensure that over the affordability period the residents living at these properties are eligible under the terms specified in the local plan. While an important strategy, this is a barrier for medium and smaller local governments that have limited staff and infrastructure to carry out these annual activities. This discourages the use of SHIP funds for small rental projects that don't also include Florida Housing funding through its Request for Applications (RFA) process. Developments also receiving funding through an RFA have a monitoring requirement that is managed by Florida Housing.

Florida Housing is familiar with this problem and worked with the Legislature to tweak the SHIP statute some time ago to narrow the compliance monitoring requirements. The current statute requires annual monitoring of rental properties financed with SHIP funding. The statute allows local SHIP staff to rely on Florida Housing (or other entity) to carry out monitoring when these entities also have monitoring involvement in such a property. Finally, if $10,000 or less in SHIP funds has been provided to the property, no monitoring is required.

WORKGROUP FINDING

The Workgroup finds that there is an increased need for affordable rental housing throughout the state. Data show that the current flexibility allowing SHIP to be used for rental strategies is being underutilized by most local governments.

Recommendations:

- With the decrease in the homeownership rate in Florida, local governments should evaluate the need for affordable rental housing in their communities and consider using SHIP funds to assist in developing new affordable rental housing.
- The Catalyst Training and Technical Assistance Program should continue to provide regular training opportunities to local SHIP administrators about options for using SHIP to develop rental strategies. The training should educate local governments about how they can maximize their rental strategies with new allocations, as well as program income, which is not restricted by the 65 percent homeownership requirement.
- The Legislature should exempt SHIP funding used to finance small rental developments for persons with special needs and homeless persons from the 65 percent homeownership requirement, but no less than 60 percent of a local allocation must be used for homeownership.
- Florida Housing Finance Corporation should develop a simple monitoring report template for local governments to use for any rental properties that are not covered by compliance reporting under other corporation administered programs. Florida Housing Finance Corporation should also examine the approach of allowing "self-certifications" provided by smaller properties, as the corporation already allows for smaller, special needs properties in its portfolio.

SHIP Innovation Concept

SHIP funds are allocated to all eligible local governments based solely on a statutory population formula. The Workgroup considered the idea of building an "innovation component" into the SHIP program to reward communities that expend funds in a creative manner to provide affordable housing. The idea would be to separate the appropriation into a base component to be provided under the current population formula and a smaller portion to be granted through a competitive process run by Florida Housing.

Many on the Workgroup agreed that such a concept might incentivize local governments to innovate more quickly and perhaps with greater efficiency. However, most Workgroup members were more concerned about negative impacts, including elimination of the current program culture in which cooperative relationships exist among many communities. The Workgroup also discussed how to determine what is "innovative" – is a strategy only innovative if it hasn't been done before? Are "tiny houses" still innovative? Shipping containers for housing? How does one differentiate and score between ideas to discern that one idea is more innovative?

Ultimately, and in part because SHIP is not currently being fully funded each year by the Legislature, the Workgroup was unwilling to recommend an innovation concept.

State Implementation of Rental Housing Programs

Part of the Workgroup's charge was to look at the state's implementation of the Low Income Housing Tax Credit (Housing Credit) program, which is administered by Florida Housing. This program is intertwined with other federal and state rental housing programs, so the Workgroup agreed to focus more broadly on Florida Housing's implementation of the key rental housing programs that make up the core of the corporation's rental financing. Public/private partnerships are critical to implementation of these programs.

Today there are almost 200,000 units in Florida Housing's portfolio consisting of properties with loans or other financing that have affordability restrictions placed on them for a period of years in exchange for the financing provided by the Corporation.

Private Investment Is the Key to Program Success

The original federal approach to building rental housing was simply to provide funding directly to public housing authorities or nonprofit organizations to build properties. Today's programs attempt to leverage the market and investors so they are part of the infrastructure of these developments.

The four key programs administered by Florida Housing are Housing Credits, Multifamily Mortgage Revenue Bonds (Bonds), State Apartment Incentive Loans (SAIL) and federal HOME funds.[i] Funds from these programs are combined or used separately to finance a variety of housing development options. Each program provides financing in such a way that developers can lower the debt on their properties and therefore lower rents to make them affordable to lower income residents.

The success of the two programs that provide the largest amount of financing on the rental side – Housing Credits and Bonds – is driven by the availability of SAIL funding to leverage federal funds, as well as the ability of developers to go to the investment market and raise capital. These programs, in combination with the SAIL and HOME programs, are designed by Florida Housing to be flexible over time to re-align the private sector profit motive with the ongoing delivery of high quality housing. These programs must be flexible enough to respond to changing market forces, policy considerations and investor concerns.

The Workgroup's Focus

Part of the Workgroup's legislative charge was to review the private and public sector development and construction industries. The Workgroup sought perspective from a variety of developers, including for profits, nonprofits and public housing authorities, to understand the development and financing issues they face building affordable housing in Florida. Based on these presentations and comments from the public, the Workgroup focused on the following issues:

- How well the allocation process used by Florida Housing to award financing works;
- Preservation of existing affordable housing that is aging and in need of rehabilitation; and
- Supporting housing for extremely low income residents, particularly those with special needs or homeless people.

The Workgroup also briefly touched on the concept of using state housing funds for tenant vouchers instead of production of units. Ultimately, the group discarded this idea. A synopsis of its findings is provided at the end of this section.

FLORIDA HOUSING'S PROCESS TO ALLOCATE RENTAL FINANCING

Rental financing is allocated through a competitive Request for Applications (RFA) process, with about 15 RFAs issued each year to respond to different housing needs and policy priorities.

Once applications are received by Florida Housing, they are scored and ranked, and the final recommendation is sent to Florida Housing's Board of Directors for approval. There are three types of scoring criteria in RFAs:

- Mandatory eligibility requirements, which must be met to be eligible for funding;
- Point scoring for certain items; and
- Narrative scoring of descriptions submitted by the applicant.

All RFAs include a lottery in case scoring is tied. While several tie-breaker scores are included in most RFAs, about one-third of all applications are awarded financing via lottery.

Florida Housing provided the Workgroup with information outlining how it balances the predictability of and access to funding within the Administrative Procedure Act (APA – Chapter 120, F.S.). The purpose of the APA is to allow broad citizen involvement in agency decision making, as well as unbiased resolution of disputes with an administrative entity.

For many years, Florida Housing's competitive rental programs were implemented through applications and instructions that were incorporated into administrative rules. Both the rulemaking process and challenges to Florida Housing funding selection decisions under these rules proved time consuming. This meant that funding typically was offered only once a year to have enough time to move through the entire process.

To streamline the process, Florida Housing changed its approach to rely on a competitive bid process. The old approach provided all or most rental program funding through one "universal" application cycle – a comprehensive, once a year funding opportunity that incorporated all programs and mainly provided funding for general occupancy properties of similar types. The current approach allows Florida Housing to issue multiple competitive RFAs over a year. It provides the corporation with the right to waive minor irregularities during scoring and relies on more streamlined administrative appeal procedures to be used if applicants wish to protest the terms of RFAs issued or the scoring results (per s. 120.57(3), F.S.).

The are many advantages to the new approach. Challenges are quicker to resolve. A wider range of housing types are now funded through the multiple, specialized RFAs issued each year. Finally, Florida Housing can more quickly target funding to meet emerging financial market or housing needs, such as hurricane recovery.

The Workgroup targeted two areas of the process for further consideration: the lottery and the litigation process.

Using a Lottery to Select Applications for Funding

Since 2013, across 62 RFAs, 108 out of 330 awards made were made based on lottery – about one-third of all awards made. Ideally, every winning application would be selected based a combination of RFA goals, eligibility criteria (e.g., applying by the deadline) and scored points. There are two types of scored items:

- Objective, "yes/no" items, such as whether an application shows that the proposed development has the correct zoning to move forward quickly once funded; and

- Narratives – More complex descriptions provided by an applicant about a proposed property in response to RFA requirements. The narrative approach requires more training and knowledge by a Florida Housing scorer with experience in areas such as supportive services, community development and urban planning, and local housing strategies. This scoring approach is time consuming, and narratives are more difficult to score than most objective scoring items. Narratives must be compared between competing applicants, and the scorer must have knowledge of accepted or best practices for the issue being scored (e.g., management experience serving homeless residents or participation in the community's homeless coordinated entry program).

Each RFA's selection process scoring chooses winning applications based on the goals and scoring set for that particular RFA, as well as a tiebreaker system. If, after scoring and tiebreakers are applied, scores are tied, the lottery is employed. In the larger RFAs, typically those to finance general occupancy properties, lottery is more often used to select awards than smaller, more specialized RFAs with fewer applicants, where scoring typically separates the winners from the losers.

Because Florida Housing's funding decisions are open to challenge before a hearing officer or judge, the corporation has always tried to minimize scoring on items that are more subjective and thus open to disagreement. Even scoring criteria that are considered objective – typically "yes/no" questions or requirements – are legally challenged, but they are easier to defend and understand by applicants.

The Workgroup liked the idea of using narrative scoring to differentiate applications, but realized that in large RFAs it would be difficult to use narratives to differentiate among the high number of applications received. Maintaining a consistent scoring approach for a narrative across 150 applications would be difficult, and scoring would be extremely time-consuming work, slowing the time between application and award.

Some states rely more on narrative scoring, but these states do not provide legal entry for applicants denied funding to sue their housing finance agencies – they don't have an APA like Florida's. This allows these agencies to incorporate more nuanced scoring criteria into their funding processes, knowing that they will not be sued. In Florida, legal challenges over narrative scoring decisions for RFAs with a high number of applications could be problematic. If narrative scoring was incorporated into the general occupancy RFAs in which larger, for profit developers mainly participate, Florida Housing's award process could be ground to a halt with multiple lawsuits arguing every fine point in the narratives of each application getting a preliminary award of financing.

Florida Housing only uses narrative scoring in those RFAs in which differentiation of issues beyond the development process is critical – mainly for permanent supportive housing where experience and approach is critical to providing homeless households and persons with special needs with the supports they need.

Florida Housing's approach to objective, "yes/no" scoring, which still gets legally challenged, is to require applications to provide information on essential items to ensure that a quality development is selected for funding. In every RFA, there are applicants that do not meet these requirements and are therefore not eligible to be selected for funding. Even within RFAs where lottery is employed, it is typically only employed for a portion of the awarded developments (usually after the RFA goals have been met).

WORKGROUP FINDING

While only one-third of applications awarded financing by Florida Housing are chosen through a lottery, the Workgroup finds that, ideally, no awards should be made through a lottery.

Recommendation: Florida Housing Finance Corporation should continue efforts to reduce the allocation of awards based upon the lottery.

Expediting the Litigation Process

Compared to the old rule-based litigation process, the statutory timeline for legal challenges on RFA scoring is relatively short under Florida Housing's current bid process, with many cases dismissed before hearing. A defined timeline is provided in statute under the APA; however, in most cases the timing depends on the cooperation of the parties involved. Issues involving third parties, such as local government officials, often take longer due to their complexity.

The timeline for litigation under the current bid process as provided in s. 120.57, F.S., is summarized in the following table.

Out of eight 2017 RFAs for which litigation is now complete, 18 petitions were filed, with nine dismissals, one petition granted by Florida Housing, and eight petitions (44 percent) ultimately sent to the Division of Administrative Hearings (DOAH). Overall, the median length of time to complete cases was five weeks. Of the DOAH cases, the median time to complete cases was 13 weeks.

Bid Protest Timeline as Implemented by Florida Housing (FHFC) for Rental Applications

Within 72 hours after preliminary awards posted	Applicants may file notices of protest
Within 10 days of notice submission	Applicants may file petitions
Within 7 days of petition submission	Meet/discuss settlement options • Often does not occur this quickly b/c petitioner requests more time • Realistically, w/in 14 days • This is the first point when FHFC listens to petitioner's case and may voluntarily change its position • This is the point when some petitioners agree they don't have a case and withdraw
After settlement meeting completed	FHFC forwards case to Division of Administrative Hearings (DOAH) • Often petitioners ask FHFC to delay sending case forward to give them more time
Within 30 days of FHFC forwarding case	DOAH hears case • Often petitioners request continuances • Realistically, 4-6 weeks to hear cases • After hearing completed, transcripts are published; this takes up to 2 weeks
Within ~10 days of transcript publication after hearing is completed	Preliminary Recommended Orders (PROs) filed by all sides
Within 30 days of PROs being due	Judge issues Recommended Order to FHFC • Realistically, takes 30-45 days
Within ~5 days (as set by FHFC)	Parties may file exceptions to the Recommended Order
Next FHFC Board meeting	Board takes up Recommended Order, any exceptions and responses, and staff recommendation, and issues Final Order • Board meetings occur every ~6 weeks

Note: Parties may appeal to the District Court of Appeals, but such appeals do not delay the funding process for the rest of the awardees.

To shorten the time between application awards and housing being available to residents, the Workgroup discussed ways to limit or expedite litigation. The group briefly considered whether it would be prudent to exempt Florida Housing's process from all or part of the APA, but discarded this idea. The group decided that, on balance, allowing applicants to challenge scores and the process is indispensable to maintaining the integrity of an open and fair system. The litigation process is a powerful tool in policing scoring. For example, it is not unusual for Florida Housing to change positions on its scoring once it has obtained more information through the discovery process in litigation. Mistakes are found and corrected, weaknesses in the system are exposed and remedied. Every Final Order Florida Housing adopts settles some issue or issues for the future and helps evolve the system in a way that is fair and transparent.

Even if the Legislature were to consider limiting the application of the APA for this type of litigation, applicants not receiving funding could continue to litigate through the Circuit Court. This would be more expensive, likely inconsistent in its findings, and would take longer than the current process.

WORKGROUP FINDING

The Workgroup finds that Florida Housing Finance Corporation's rental allocation process takes longer than it ideally should mainly due to legal challenges to scoring results. Challenges are allowed under s. 120.57, F.S., and while they are more expedited than Florida Housing Finance Corporation's older rule-based litigation process, the additional time taken to resolve these cases means more time before developments are constructed and available for occupancy.

Recommendations:

- Florida Housing Finance Corporation should evaluate whether legal challenges in which all parties agree after litigation has occurred can be sent to the Executive Director rather than the Board for issuance of a Final Order.
- Florida Housing Finance Corporation should assess its application process with the goal to remove or simplify scoring items that are most likely to be litigious, but should maintain scoring items that allow the corporation to differentiate and choose the best developments for funding. With these changes, Florida Housing Finance Corporation must adopt an approach that discourages developers from not having completed "ability to proceed" items by the start of the credit underwriting process. Before implementation, the corporation should workshop these proposals with stakeholders participating in Florida Housing Finance Corporation programs.

PRESERVATION OF EXISTING AFFORDABLE RENTAL PROPERTIES

Florida has over 275,000 public and assisted multifamily units financed by myriad state and federal programs. These programs include both construction financing and federal project-based rental assistance affiliated with some older federal properties to serve mainly extremely low income residents. Two preservation circumstances which often overlap are:

- Properties that are still affordable, but are aging and are at risk of physical deterioration and even financial default unless they receive additional capital investment; and
- Properties that are reaching the end of their affordability restrictions, allowing program restrictions

on income and rent to expire, and giving property owners the freedom to set rents at whatever the market will bear.

Florida's Aging Affordable Rental Stock

The table below shows properties and units built before 1986 (30+ years old) and those built from 1986 to 2000 (15-29 years old). Information on the age of public housing units is provided in the separate table below. The big table excludes 116 developments that have received recent funding for preservation or rehabilitation.

The 30+ year old category is heavily weighted toward developments with HUD and USDA Rural Development (RD) rental assistance. These properties are more likely to serve extremely low income and elderly tenants than the newer inventory. In contrast, Florida Housing-funded units make up the bulk of the housing in the 15-29-year-old category, reflecting the growth of the Housing Credit and SAIL programs in the 1990s. Most of these units do not have HUD or RD rental assistance, and average tenant income is considerably higher than for the 30+ year old group ($22,866 vs. $12,759).

Public Housing is affordable in perpetuity (or as long as it lasts); its problem is purely one of age, deterioration and functional obsolescence. The most recent age information is provided below.

Risk of Deterioration and Loss Due to Age

		30+ Years Old	15-29 Years Old	<15 Years Old
Property and Unit Counts	Properties	493	867	903
	Units	39,798	95,300	96,493
	HUD/RD Rental Assistance Units	32,467	17,445	13,778
	% of All Assisted Units	17%	41%	42%
Funder	HUD	77%	22%	18%
	RD	22%	9%	2%
	Florida Housing	6%	83%	95%
	LHFA	3%	19%	26%
Target Population	Family	45%	79%	74%
	Elderly	49%	17%	22%
	Other	6%	4%	4%
	Average Tenant Income	$12,759	$22,866	$22,381
Location	Large County	59%	59%	61%
	Medium County	34%	36%	35%
	Small County	7%	4%	4%
	Counties Most Affected	All Large Counties	Large Counties (except Pinellas) + Osceola, Seminole	-

Source: Shimberg Center for Housing Studies, University of Florida, Assisted Housing Inventory

Age of the Public Housing Stock in Florida[ii]

	Total Units	% of Units
1937-1985 (30+ years)	25,504	83%
1986-2000 (15-29 years)	1,182	4%
After 2000 (<15 years)	3,924	13%
Total	**30,610**	**100%**

Source: U.S. HUD, compiled by the Shimberg Center for Housing Studies, University of Florida

Expiration of Affordability Restrictions

There are three types of subsidy expirations that will be the most common in the next two decades.

Housing Credit Properties. Federal law originally required Housing Credit program properties to remain affordable for only 15 years. Beginning in 1990, this increased to 30 years, and in the mid-1990s, Florida began incentivizing properties financed with Housing Credits and other programs to choose a 50-year period. Many of the early developments will begin reaching the 30-year restriction expiration starting in 2020, and expirations will accelerate through the 2020s.

Rural Development Properties. RD provided 40-50 year mortgages for affordable rental developments in rural areas. RD also provides rental assistance for most of these units, enabling tenants to pay 30 percent of income for rent. Florida has 423 developments with 16,704 units funded by RD programs. RD-funded developments in Florida are beginning to mature and will continue to do so throughout the 2020s. Unlike with HUD-subsidized properties, there is no option to renew rental assistance contracts beyond the term of the mortgage.

HUD Project-Based Rental Assistance. HUD's project-based rental assistance enables tenants to pay 30 percent of their income for rent. Statewide, 687 developments receive subsidies from HUD rental assistance programs. In 2016, these developments provided 50,854 units of deeply subsidized housing. Unlike with expiring Housing Credit and RD restrictions, the HUD affordability terms are renewable. Preservation of these expiring contracts is a critical priority, because the state is unable to replace the subsidies for extremely low income households that allow them to pay only 30 percent of their income for rent.

Risk of Loss Due to Expiring Restrictions[iii]

		LIHTC 30-Year (through 2030)	RD Maturing Mortgages (through 2026)	HUD Expiring Rental Assistance (through 2026)
Property and Unit Counts	At-Risk Properties	93	145	157
	At-Risk Units	15,891	7,217	12,132
	HUD/RD Rental Assistance Units	320	4,543	12,132
	% of All Units in Program at Risk	10%	38%	24%
Target Population	Family	96%	66%	54%
	Elderly	4%	2%	43%
	Other	—	32% (Farmworker/ Family)	3% (Persons with Disabilities, Family/ Farmworker)
	Average Tenant Income	$25,242	$19,075	$10,189
Location	Large County	66%	23%	70%
	Medium County	34%	57%	24%
	Small County	0.10%	20%	5%
	Counties with the Most Affected Units	Orange, Miami-Dade, Hillsborough, Osceola, Duval	Palm Beach, Polk, Pasco, Lake, Collier	Duval, Miami-Dade, Hillsborough, Orange

Source: Shimberg Center for Housing Studies, University of Florida, Assisted Housing Inventory

What Happens to Properties that Lose their Affordability Restrictions?
The Shimberg Center keeps track of affordable housing losses within the state. As of its 2017 update, 481 properties with 62,225 units (49,108 restricted and of those, 3,178 with federal rental assistance) had been lost.

In 2009, the Shimberg Center conducted a survey to determine the current use and affordability of developments lost as of that time. Of the developments responding to the survey, most (70 percent) were continuing to operate as rental housing, with 61 percent of those offering naturally affordable rents to households at about 60 percent of AMI. None of the properties offered rents to serve extremely low income residents. One-fifth of the developments had been converted to condominiums. The rest were vacant or demolished.

Why Finance Preservation Instead of Building New Housing?
Proponents of preservation point to rehabs as:

- Addressing deterioration in the existing stock and more cost-effective than new construction.
- Continuing to build on previous public investment in a way that supports local neighborhoods.
- Side stepping NIMBY risks associated with new construction.

Those in support of new construction as a primary approach to financing affordable housing point to:

- The need for additional housing.
- The uncertainly costs (and thus, risks) associated with a rehab project.
- New construction units provide more green building options and cost less to operate.

Strategies Already in Place to Preserve Affordable Housing
In 2007, Florida Housing began annually reserving 11 percent of its competitive Housing Credit allocation (around $4 million) for preservation. The percentage has been at 15 percent since 2012 (~$7.5 million today). The Housing Credit preservation priority is targeted to older developments with high levels of project-based rental assistance, including public housing. Competitive Housing Credit financing is not available to properties already in the corporation's portfolio, even older properties.

Developers may also use SAIL, Bonds and non-competitive Housing Credits to carry out preservation. Properties in the corporation portfolio may be recapitalized via Bonds and non-competitive Housing Credits (but not with SAIL); however, these two programs alone only provide a moderate level of rehab. Most applicants for public housing properties seek to demolish and rebuild, because federal funding for ongoing operations under the public housing program does not support operation on these properties over time.

Florida Housing's preservation strategy focuses on aging properties and does not include a priority for properties at the end of their affordability periods or at risk of leaving the assisted inventory. In 2016, of the 9,557 rental units financed with all Florida Housing programs, almost 5,000 units were new construction or redevelopment, and the rest were rehabilitation of some sort, including preservation.[iv]

Affordability Periods
In exchange for rental financing through corporation programs, developers agree to keep their properties affordable for a certain period. Since the mid-1990s, Florida Housing has placed a value on long affordability periods, initially incentivizing and then requiring most developments financed with competitive Housing Credits and SAIL funds to be affordable for 50 years. Since 1989, federal law has required minimum affordability periods of 30 years for Housing Credit developments. Thirty-one states require or incentivize affordability periods longer than 30 years.

To some, the value of the longer period is to keep the land itself under affordability restrictions – that is, even if the buildings become functionally obsolete and are replaced, the land is still available for affordable housing. Many properties applying for preservation funding originally were funded by HUD ~35-45 years ago. Today, these properties are in prime real estate locations that are convenient to services and amenities. Recently, discussion of this issue has focused on the need for recapitalization of older properties that are still under their 50-year restriction, particularly those in Florida Housing's portfolio.

WORKGROUP FINDING
The Workgroup finds that the existing affordable rental housing stock is aging, particularly housing geared to serve extremely low income Floridians with federal project-based rental subsidies. Because of restricted rents at many properties, including those in Florida Housing Finance Corporation's portfolio, many properties do not have the resources needed to recapitalize and rehabilitate properties to adequately serve residents over their long affordability periods.

Recommendation: Florida Housing Finance Corporation should continue to develop a more robust rental preservation strategy that includes, but is not limited to, recapitalization opportunities of properties in Florida Housing Finance Corporation's portfolio.

Additional Workgroup Finding and Recommendation
In its annual "large county" RFA for Housing Credits, Florida Housing implements a preference for local government priorities. Local governments interested in prioritizing a particular development due to local objectives, such as revitalization or transit-based development, may provide a higher level of funding to that development following RFA requirements, which then indicates to Florida Housing that the development is a priority for the locale. While other development applications in that same area may be submitted for funding, if the prioritized application is deemed eligible for funding and receives as many points as any other application, it will be chosen for funding. Only one development per county may be chosen via this local preference. Currently this preference is only provided in this one RFA each year.

WORKGROUP FINDING
The Workgroup finds that many local governments are looking for ways to leverage their local dollars with other financing to assist them in meeting local affordable rental housing objectives.

Recommendation: Florida Housing Finance Corporation should continue implementation of the Local Government Area of Opportunity Preference in Low Income Housing Tax Credit Requests for Applications for large counties, and explore the expansion of its use in medium and small counties.

TARGETING FINANCING FOR EXTREMELY LOW INCOME HOUSEHOLDS, AND PERSONS WITH SPECIAL NEEDS OR WHO ARE HOMELESS

Florida Housing finances housing for general occupancy family developments, elders, homeless persons, farm/fishing workers, and persons with special needs.[v]

Family and elderly properties are the standard, general occupancy properties most often financed by Florida Housing, and the primary interest of for profit developers applying for financing. The other demographic groups are harder to serve. These households often have extremely low incomes. This makes typical development financing structures unworkable, because the low rents needed to make the units affordable do not bring in enough property income to manage debt payments without additional financing. The most successful properties serving mainly extremely low income tenants develop partnerships with organizations that provide access to community based services, such as daycare, transportation services, healthcare and educational/job training. Nonprofit, mission-based developers are more likely to be interested in developing these partnerships and fundraising to help residents live independently in this housing and in their communities.

While serving residents with incomes at 50-60 percent of AMI is the financial "sweet spot" for the key rental programs administered by Florida Housing, extremely low income households with incomes at or below 30 percent of AMI are typically the most cost burdened and the most in need of affordable rentals. There are federal programs that address this lowest income population, but these programs do not provide funding for new units. It is not financially viable to use Florida Housing programs to build properties that serve only extremely low income residents without other funding sources.

Florida Housing recognizes the importance of creating diverse and varied types of housing for residents who are homeless or have special needs. Specialized, permanent supportive housing properties run by nonprofits or joint ventures between for profit and nonprofit developers are one option.[vi] To give residents the option of living in a more integrated community setting, Florida Housing has implemented the "Link

Strategy." This strategy incentivizes developers to set aside five percent of units at a family or elderly property for households with special needs. Potential residents are referred by a supportive services agency that has signed up with the corporation to provide these referrals and ongoing supports to these residents as needed. These units must be affordable to extremely low income residents.

Of the almost 200,000 units currently in Florida Housing's portfolio, more than 14,000 are set aside for extremely low income residents, and more than 6,700 units are provided for residents who are homeless or have special needs. More than 2,600 of these units are in general occupancy properties. There is some overlap between these and the extremely low income units.

WORKGROUP FINDING

Extremely low income units are the most expensive to finance because of the limited rents these units provide to offset debt/operations on a property. Florida has the greatest need for these units, yet there are relatively few of them in Florida Housing Finance Corporation Finance Corporation's portfolio because they are so expensive to finance.

Recommendation: Florida Housing Finance Corporation should evaluate strategies other states use to provide Low Income Housing Tax Credit financing for extremely low income units, and implement promising strategies that are financially feasible.

WORKGROUP FINDING

The Workgroup finds that, while a simple evaluation of the need for rental housing for cost-burdened and other persons with special needs and homeless people is carried out every three years pursuant to the SAIL statute, Florida has a very limited understanding of the variety of housing needs across these sub-populations.

Recommendation: Florida Housing Finance Corporation should find the resources to conduct a state level needs assessment to identify the statewide affordable and supportive housing needs by special needs and homeless populations and perform financial modeling to address the housing needs of each sub-population.

Serving Households with Special Needs through the Link Strategy

Initiated in 2009, the Link Strategy enhances the ability of extremely low income persons with special needs and homeless households to access housing financed by Florida Housing. The strategy helps these residents lead stable lives in their communities by linking affordable rental housing with access to community based healthcare and supportive services. In 2014, the Legislature began to support the Link concept by directing Florida Housing to set aside a portion of units in developments for persons with special needs.[vii]

As a condition of using Florida Housing resources, the corporation requires developers to set aside a percentage (usually five percent) of a development's units as Link units. Prospective tenants for these units must be referred by a Florida Housing-designated supportive services agency that serves the community where the property is located. At the time of referral, these households are receiving community based supportive services that may include behavioral healthcare, case management or help to improve their employment opportunities. The property owner must execute a memorandum of understanding (MOU) with at least one designated referral agency serving the county and rent units to qualified households referred by that referral agency.

Initially, Florida Housing required properties to hold open units targeted to Link households for only 14 days before being released to a general occupancy household. The 14-day hold proved to be problematic for many reasons. First, it was not adequate time for the referral agencies to prepare their consumers for application and leasing of these apartments, chiefly due to barriers to entry for households with income, eviction, credit or criminal histories. Second, property owners often would also lease or pre-lease the units before the MOU was signed without leasing these through the Link strategy, and there would be no turnover for a long period of time. Getting special needs households access to these rental units was very difficult, even for referral agencies that had pre-screened their clients.

During 2015-2016, Florida Housing formed an internal team to revise RFA Link requirements, create an MOU template and develop a compliance monitoring procedure to formalize the Link Strategy. The corporation subsequently adopted several policy changes to increase the likelihood that referral agencies would have success in housing their consumers in Link units.

- The period a property owner is required to hold open an available Link set-aside unit for a referred special needs household was increased from 14 to 30 days;
- In pre-leasing of units at a property under construction (or during lease-up), Link units must be held open until filled by a Link referral agency; and
- When a development has received funding for rehabilitation, but is fully occupied, each available unit that becomes vacant must remain open until filled by a tenant referred through the Link strategy until all set-aside commitments are met.

Data gathered in the fall of 2017 showed that only one-third of the Link units have Link referrals living in them.

WORKGROUP FINDING

Based on the late-2017 Link report provided by the corporation, the Workgroup finds that Florida Housing Finance Corporation is still having difficulty in meeting the intent of the Link Strategy. Holding available units open for a limited time adds another barrier for extremely low income persons with special needs to access units set aside specifically for these households. Even though Florida Housing Finance Corporation has recently extended the hold period to 30 days, the Workgroup finds that this extended period still does not meet the intent of using public resources to ensure the intended households have access to the units specifically set aside to serve them.

Recommendation: Florida Housing Finance Corporation should convene a working group to develop policies to fulfill the requirement that all developments with the commitment to set aside units for extremely low income households with special needs through the Link Strategy comply with the requirement and hold them available until a referred household leases the unit. The working group should include developers, property managers, participating Link supportive service providers and others to develop such an approach, including policies to address when exceptions to this requirement are needed.

Lowering Barriers to Entry in Affordable Rental Developments

Stringent rental qualifications and background checks are typically used by landlords to allow them to choose only those individuals who will be model tenants. This is true for both market rate and affordable rental properties. Prospective tenants are commonly evaluated based on their income, credit, rental and criminal history. Applicants are commonly screened out due to an income to rent ratio that is too low; a history of irregular income or changing income sources; poor or no credit history; poor rental history such as evictions or late payments; and any type of criminal background.

Due to their low incomes and special needs or disabilities, many homeless and lower income renters have less than ideal qualifications that prevent them from passing strict leasing qualifications set by landlords. A prospective tenant's ability to acquire housing also may be negatively impacted by property management policies that influence how an applicant is evaluated, extended lookback periods for rental history and criminal offenses, and limited consideration of mitigating circumstances. Landlords typically use third-party screening agencies for this purpose. These agencies use an automated process to screen all applicants equally based on stringent and often inflexible selection criteria. This approach does not take into consideration each applicant's special circumstances or actions the household has taken to improve their histories or income. This can lead to lower income applicants being denied housing, particularly extremely low income tenants who have been homeless and those with special needs.

Housing providers are required by law to make "reasonable accommodations" to ensure that a person with a disability will have an equal opportunity to use a dwelling.[viii] In these cases, prospective tenants with a disability must request a reasonable accommodation regarding their application for housing. This request requires the property management to conduct an individualized review of the applicant and consider extenuating circumstances that may be attributable to the person's disability. However, the reasonable accommodation law does not apply to prospective tenants without a disability or those who may simply have extremely low incomes.

Barriers inhibiting prospective tenants from acquiring housing can be lowered by creating tenant selection policies that "screen-in" rather than screen out applicants based on factors such as income or poor credit. To be done well, this requires a case-by-case assessment of each prospective tenant.

To reduce barriers for applicants, the 2013 HUD Occupancy Requirements of Subsidized Multifamily Housing Programs Handbook recommends that property owners follow a formal, written process for collecting information. Property owners should describe the criteria they will use for distinguishing between acceptable and unacceptable credit ratings and rental history. HUD recommends that property managers give priority to current credit activity over older activity and counsels against rejecting applicants solely on lack of rental and credit history. When reviewing an applicant with prior criminal infractions, HUD suggests that property owners evaluate the individual circumstances, such as the seriousness of the offense, the degree of participation in the criminal activity by the applicant and the extent the applicant has taken steps to mitigate the action.

Florida Housing addresses this issue in RFAs targeted to housing for homeless persons and persons with special needs. These RFAs offer scoring points for developers that submit narrative information in their applications about their application and tenant screening processes. Applicants are scored on how their property management will facilitate a household's ability to acquire, complete and submit a rental application. Applicants must also explain how they intend to address shortcomings in a prospective tenant's income, credit, criminal and rental histories that might cause a barrier to tenancy.

While Florida Housing has implemented a scoring approach for more specialized properties, most general occupancy properties are not required by Florida Housing to implement low barrier entry procedures for prospective tenants. Many general occupancy properties are required to set aside ten percent of the units to serve extremely low income residents and Link tenants.

In some cases, the lack of low barrier entry procedures has led to supportive service referral agencies having trouble finding a prospective referral with an unblemished record to send to the property when a Link unit becomes vacant and available.

WORKGROUP FINDING

The Workgroup finds that low barrier entry procedures for prospective tenants with extremely low incomes are necessary to ensure that these citizens are given an opportunity to access decent, affordable housing throughout Florida Housing Finance Corporation's portfolio of rental properties.

Recommendation: Florida Housing Finance Corporation should adopt comprehensive low barrier entry requirements as well as requirements to lower barriers to continued occupancy for general occupancy properties, targeted to all units set aside for extremely low income tenants, including but not limited to Link units. This requirement should include development of standards for implementation and training geared to developers and property managers. The corporation should convene a workgroup of subject matter experts, including property managers, fair housing experts, developers and others, to assist in development of standardized requirements.

Supporting Nonprofits in the Development of Special Needs and Homeless Housing

Nonprofit organizations are treated the same or similarly to for profit developers in credit underwriting. Traditional credit underwriting requirements are not always germane to the nonprofit structure of the organization. Moreover, the approach assumes a development operating budget in which operating income is provided by the rents and other income streams from the residents living at the property.

While underwriting conventions are not exactly the same across different development types, there is a tendency for Florida Housing to use assumptions for a typical financing structure that for profit developers pursue. Operations at smaller, special needs and homeless properties are typically different, because of the residents' incomes, which are generally extremely low and not enough to cover operations at the property. As a result, alternative subsidies are often used to ensure long term viability of the development. Typical underwriting does not adequately consider these alternatives or may discount their viability.

WORKGROUP FINDING

Nonprofit development organizations are critical to support, because they are more likely to develop properties to serve persons with special needs who have extremely low incomes. The workgroup finds that Florida Housing Finance Corporation's credit underwriting process treats nonprofit developers the same or similarly to for-profit developers. However, transactions undertaken by 100 percent nonprofit organizations often use non-traditional financing for development and operations that do not fit well into the traditional credit underwriting framework.

Recommendation: Florida Housing Finance Corporation should create a workgroup of subject matter experts to create an alternative credit underwriting approach for developments serving persons with special needs and homeless households developed and/or operated by nonprofit organizations.

USING STATE FUNDS TO FUND TENANT VOUCHERS FOR AFFORDABLE HOUSING

Some policy makers have wondered about using some or all state rental housing funds for tenant vouchers instead of the production of rental units. In a comparison of cost and programmatic differences of each approach, the Workgroup used the federal Housing Choice voucher program compared to the SAIL program. In summary, the findings were:[ix]

- SAIL leverages federal financing to provide more units when compared to vouchers.
  - o Mostly serves tenants with higher incomes than the voucher program. In 2016, across all occupied Florida Housing units, the average resident income was ~50 percent of AMI. A small portion of units (14 percent) were available and affordable to extremely low income residents without vouchers;
  - o Provides greater economic impact to communities and the state through construction;
  - o While renters with incomes lower than 60 percent of AMI may be somewhat cost burdened in SAIL units, rents are still lower than market rate units and the units are in better condition than substandard units out in the market that may have lower rents.
- Vouchers deeply subsidize rents for a smaller group of renters, and are therefore more expensive over time than the SAIL production program. However, vouchers provide a safety net for extremely low income renters, acting as a critical deterrent to homelessness resulting from eviction.
- In some markets, lack of rental housing stock or landlords willing to take vouchers may make vouchers less useful. In these areas, production programs become important tools to create affordable housing. In addition, the affordable housing production programs allow voucher holders to live in the units, thus providing a safety net for these renters in better quality units.

In a separate analysis looking at the distribution Housing Credit units and federal voucher recipients in Florida, 40 percent of all voucher holders were living in census tracts with 30 percent or higher poverty rates, while 28 percent of Housing Credit units were located in these higher poverty areas. This means that Florida's implementation of the Housing Credit program has enabled more residents to live in areas with lower poverty and thus more access to economic opportunities.

The Workgroup decided not to pursue recommendations to develop a state voucher program.

Local Housing Finance Authority Tax Exemption on Mortgages

Section 159.604, F.S., gives each county in Florida the power to create by ordinance a county Housing Finance Authority (HFA) to carry out the powers granted by the Florida Housing Finance Authority Law. Just as with Florida Housing Finance Corporation, local HFAs are established to alleviate the shortage of housing and capital for investment in housing at the local level. There are 20 local HFAs operating in the state. Four of these also have interlocal agreements with other counties to make homeownership loans to residents in those counties.

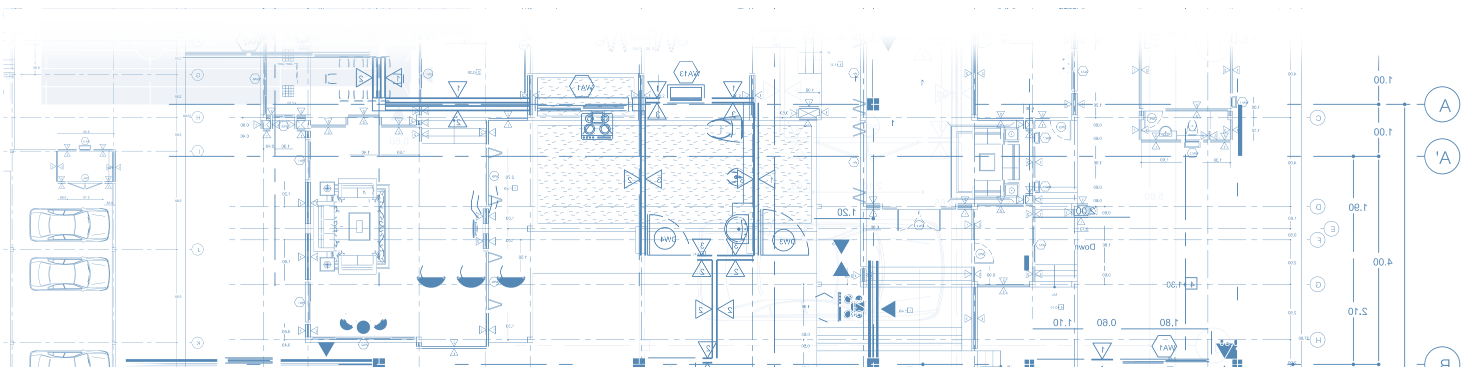
Local HFAs are composed of no fewer than five members appointed by the governing body of the county. The powers of an HFA are vested in the members and include the power to loan funds to homebuyers and qualified rental housing developers.

Local HFAs commonly achieve affordable housing goals by using a variety of resources to fund homeownership and rental housing. Local HFAs implement homebuyer programs that provide qualified applicants with services such as low interest rate mortgage loans, closing cost assistance and down payment assistance, often blended with local SHIP funds.

WORKGROUP FINDING

Current law provides an exemption from documentary stamp and intangible taxes related to mortgages financed by or on behalf of local housing finance agencies (HFAs) when the mortgage is made in connection with bonds issued by a local HFA [Section 159.621(1), F.S.]. However, most local HFAs also operate homeownership programs that do not use bond financing. Florida Housing Finance Corporation is granted the exemption for any mortgage, while local HFAs are not.

Recommendation: The Legislature should adopt legislation that would provide an exemption from documentary stamp and intangible taxes related to all mortgages financed by or on behalf of local housing finance agencies.



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[xxii] Karen Chapple, Jumpstarting the market for accessory dwelling units, UC Berkeley Blog, May 2017, at http://blogs.berkeley.edu/2017/05/23/jumpstarting-the-market-for-accessory-dwelling-units/.

[xxiii] Florida House of Representatives, SB 1830 Final Bill Analysis, July 2013, at http://www.flsenate.gov/Session/Bill/2013/1830/Analyses/s1830z1.FTSC.PDF.

[xxiv] Ibid, Bending the Cost Curve: Solutions to expand the Supply of Affordable Rentals.

[xxv] D. Shoup, Cutting the Cost of Parking Requirements, Access Magazine, (48) Spring 2016, at http://www.accessmagazine.org/spring-2016/cutting-the-cost-of-parking-requirements/.

[xxvi] T. Litman, Parking Requirement Impacts on Housing Affordability, Victoria Transport Policy Institute, 2016, at http://www.vtpi.org/park-hou.pdf.

[xxvii] V. Been, C. Brazill, J. Madar and S. McDonnell, Searching for the Right Spot: Minimum Parking Requirements and Housing Affordability in New York City, New York University Furman Center, March 2012, at: http://furmancenter.org/files/publications/furman_parking_requirements_policy_brief_3_21_12_final.pdf.

Implementation of the State Housing Initiatives Partnership Program

[i] Only five percent of program income may be used for administrative expenses, except that local governments receiving $350,000 or less in SHIP allocation during a given year may use up to 10 percent.

[ii] Local SHIP plans may include strategies that the local government chooses not to allocate funds to in a particular year. This approach gives the community flexibility to move funds between strategies over time based on need without having to re-adopt the plan each time.

State Implementation of Rental Housing Programs

[i] Other programs are used to augment the financing provided for rental development, including the Predevelopment Loan Program used by nonprofits and public housing authorities to obtain upfront capital for predevelopment activities required before vertical construction; State Grants for Persons with Developmental Disabilities; National Housing Trust Fund Program dollars to augment developments to serve extremely low income households; and Florida Housing funding for demonstrations to pilot the use of funds in new ways to serve Floridians.

[ii] These data reflect the first date that a property was built, not renovations that have taken place in the meantime. It does appear to include newer dates for redevelopments.

[iii] Shimberg Center for Housing Studies, Florida Housing Data Clearinghouse: Assisted Housing Inventory, University of Florida, http://flhousingdata.shimberg.ufl.edu/a/ahi_basic. Assisted housing developments often have several layers of subsidies in place with different expiration dates. This analysis takes a conservative approach and only counts a development at risk if it does not have other subsidies in place with later expiration dates.

[iv] Florida Housing Finance Corporation, 2016 Annual Report, at https://issuu.com/fhfc/docs/fhfc_annual_report_2016_082217_web.

[v] Pursuant to s. 420.0004(13), F.S., "Specials needs" includes an adult person requiring independent living services in order to maintain housing or develop independent living skills and who has a disabling condition; a young adult formerly in foster care who is eligible for services under s. 409.1451(5); a survivor of domestic violence as defined in s. 741.28; or a person receiving benefits under the Social Security Disability Insurance (SSDI) program or the Supplemental Security Income (SSI) program or from veterans' disability benefits.

[vi] Permanent supportive housing is independent, affordable housing linked to community based services tailored to meet the needs of the people living in these units. Units are not time limited – they are available to the residents if they meet landlord-tenant requirements typical of any rental situation.

[vii] In some years the proviso has been directed more specifically to persons with a disabling condition.

[vii] U.S. Department of Housing and Urban Development, Procedures for Providing Reasonable Accommodation 2013, at https://www.hud.gov/program_offices/administration/hudclips/handbooks/sech/7855.1.

[ix] Take two hypothetical households, both single moms with one child. One is a minimum wage, fast food worker working 30 hours per week (annual income ~$12,600). Mom gets a voucher and pays $316/month in rent for a 2-bedroom apartment. When she gets laid off, she just pays $50/month in rent until she finds a new job. The other is an administrative assistant making $23,000. She pays $700/month for a 2-bedroom SAIL unit, which is 37 percent of her income, but it's well below the $1,000/month FMR in her county, and she's living in a newer, high quality unit. If she loses her job, she may be evicted, because there is no voucher safety net.

FLORIDA HOUSING FINANCE CORPORATION BOARD OF DIRECTORS LETTER and IMPACT FEE SURVEY

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December 22, 2017

The Honorable Rick Scott
Governor, State of Florida
PL-05 The Capitol
Tallahassee, FL 32399-0001

The Honorable Joe Negron
President, The Florida Senate
409 The Capitol
Tallahassee, FL 32399-1100

The Honorable Richard Corcoran
Speaker, Florida House of Representatives
420 The Capitol
Tallahassee, FL 32399-1300

Dear Governor Scott, President Negron and Speaker Corcoran:

On December 8, 2017, the Board of Directors of Florida Housing Finance Corporation approved the Affordable Housing Workgroup's recommendations to fulfill the requirements of Chapter 2017-071, Laws of Florida. The Board chose to provide supplemental comments on three of the recommendations, all found in the State Implementation of Rental Programs report section.

Workgroup Recommendation: Florida Housing Finance Corporation should continue efforts to reduce the allocation of awards based upon the lottery.

> **Board Comment:** The Board assures the Governor and Legislature that Florida Housing uses the lottery to make awards for rental housing after exhausting all other scoring and threshold eligibility criteria provided in each competitive Request for Applications (RFA). Applicants chosen through the lottery are all deemed to be ready to proceed and are among the best applications received. Over the last five years since Florida Housing implemented its more flexible RFA approach, the use of the lottery has been reduced to just one-third of all awards. We constantly look for new ways to score and differentiate applications from one another to keep the use of the lottery as minimal as possible.

Workgroup Recommendation: Florida Housing Finance Corporation should assess its application process with the goal to remove or simplify scoring items that are most likely to be litigious, but should maintain scoring items that allow the corporation to differentiate and choose the best developments for funding. With these changes, Florida Housing Finance Corporation must adopt an approach that discourages developers from not having completed "ability to proceed" items by the start of the credit underwriting process. Before implementation, the corporation should workshop these proposals with stakeholders participating in Florida Housing Finance Corporation programs.

Board Comment: The Board believes that, in addition to items in its applications, the broader process should be examined to consider how to expedite and simplify the scoring, litigation, underwriting and closing processes. It is critical that Florida Housing not change RFA requirements that may inadvertently result in developers taking inappropriate advantage of the application process, thereby creating more litigation and time delays.

Workgroup Recommendation: Florida Housing Finance Corporation should convene a working group to develop policies to fulfill the requirement that all developments with the commitment to set aside units for extremely low income households with special needs through the Link Strategy comply with the requirement and hold them available until a referred household leases the unit. The working group should include developers, property managers, participating Link supportive service providers and others to develop such an approach, including policies to address when exceptions to this requirement are needed.

Board Comment: It is critical that properties are not required to hold units open indefinitely to serve Link referred households in the event that the Link process does not provide adequate tenant referrals to these properties. Florida Housing will work with stakeholders, including property owners, to balance this requirement to ensure that property owners are not penalized when Link Strategy referral organizations are unable to provide tenants to fill Link units in an expedient manner.

The Board appreciates the many hours of work invested by the Workgroup members, and we look forward to doing our part to implement the Workgroup's recommendations. Thank you for the opportunity to help Florida residents gain access to decent, affordable housing.

Sincerely,

Bernard E. "Barney" Smith
Chair

IMPACT FEE SURVEY OF SHIP ADMINISTRATORS, NOVEMBER 2017

T = By Type of Unit *S = By Square Footage* *F = Flat Fee* *W = Waivers/Reductions/Deferrals*

LOCAL	T	S	F	W	PERSPECTIVE
Alachua County		S			Base the impact fee on unit size. Do not have anything in place to reduce the cost or waive the impact fee.
Bay County	T		F		Bay County charges a flat fee for residential based on the type of dwelling unit. Impact fee reduction is a strategy used to produce affordable housing.
City of Boynton Beach	T	S	F	W	Impact Fees are levied at flat rates according to: • Type and size of residence • Number of bedrooms Certain waivers may be considered depending upon if there was ever a dwelling at the site in the past; permitting process is expedited if project is certified affordable.
City of Bradenton	T	S			Imposes impact fees by square footage, number of fixtures, or type of unit depending on what the fee is for.
Broward County	T			W	School impact fees are assessed based on the type of dwelling units and the number of bedroom for each type of unit. Transportation concurrency impact fees are assessed based on the number of PM peak hour trips generated by the number of dwelling units and type of units. Per the Land Development Code Sec. 5-182(a)(5)3), applications for building permits for "very low income" and "low income" affordable housing projects, as defined in Division 6 of this article, shall be eligible for a waiver of one hundred percent (100%) of the Transportation Concurrency Assessment.
Calhoun County					None
City of Cape Coral	T			W	By type of development/construction: 1) residential – single family duplex; 2) commercial – multifamily over 3 units and non-residential uses. In the process of implementing a pilot impact fee program for affordable housing. Single family impact fees levied by the City would be deferred until the first sale of the property. This program will be limited to non-profit housing developers. Multifamily impact fees will be bought down over a period using a Synthetic Tax Increment Financing model.
Charlotte County	T		F		Flat rate levy by type of property being built. In the process of developing a request for a reduction or waiving of all fees for affordable housing. This is not being embraced by the Board of County Commissioners because their consensus is that the County's impact fees are 40% of what they should be.

IMPACT FEE SURVEY OF SHIP ADMINISTRATORS, NOVEMBER 2017

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LOCAL	T	S	F	W	PERSPECTIVE
Citrus County				W	Promote the development of affordable single family residential homes by charging transportation impact fees at a reduced level and deferring impact fees for 10 years for qualified affordable housing. The impact fees will be permanently cancelled after 10 years unless the home is sold. Qualified Affordable Housing - Homes with less than 1,500 square feet of living area (site built, mobile home, modular, etc.) and occupant households being at or below low income (80% of area median income, adjusted for family size as defined by the U.S. Department of Housing and Urban Development (HUD). Only lower income owner occupants and Not-for-Profit Single Family Residential Housing Developers working with eligible clients will be eligible for the Affordable Housing Land Use Category and Deferral of Impact Fees. This must be the homestead property of the owner occupant. Owners that own or intend to own investment property are not eligible. Homes built for "speculation" by builders or developers are not eligible.
Clay County	T		F	W	Currently, school impact fees are in place. The school impact fees are a flat rate of $7034 for a single-family residence, $5979 for a mobile home, and $3236 per unit for multifamily (apartments). These fees are not eligible for deferral or waiver. Transportation impact fees are scheduled to begin being imposed January 1, 2018. The transportation impact fees for housing are: (1) single family (detached) less than 1500 sf and very low income: $1214; (2) single family (detached) less than 1500 sf and low income: $1824; (3) single family (detached) less than 1500 sf: $2764; (4) single family (detached) 1500 to 2499 sf: $3461; (5) single family (detached) 2500 sf or larger: $3910; (6) multifamily (apartment-per unit): $2242; (7) residential condominium/townhouse: $1952; (8) mobile home park per home: $1273; (9) assisted living/congregate care facility: $330; (10) recreational home/vehicle: $1397. Affordable housing and workforce housing impact fee deferrals from the payment of transportation impact fees are available upon application to Clay County.
City of Coconut Creek					To implement an affordable housing program, an affordable housing linkage fee is paid at the time of the issuance of building permits for all non-residential development. Industrial $0.37 per square foot Commercial $1.36 per square foot Office $0.15 per square foot Hotel $2.42 per square foot Limited service hotel $0.70 per square foot As an alternative to payment of the housing linkage fee, a developer of non-residential project or mixed-use project may submit a request to produce affordable housing units, which request can be granted in the form of a developer's agreement approved by the city commission.
Columbia County					None
City of Daytona Beach				W	Discounts its permit filing fees by 50% for affordable housing projects. Additionally, permits for affordable housing projects are expedited to a greater degree than other projects. The City also donate real property from its inventory for use in producing permanent affordable housing.

IMPACT FEE SURVEY OF SHIP ADMINISTRATORS, NOVEMBER 2017

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LOCAL	T	S	F	W	PERSPECTIVE
City of Deerfield Beach					Police, Fire and Parks impact fees. The City is located in Broward County which allows any municipality to assess fees for affordable housing in a land use or rezoning change if, more than 100 units are proposed and if a study determines that affordable housing is needed. To date, the City has not exercised this option.
City of Deltona	T	S			By type of residence (single family or multifamily) and by square footage. No waivers.
DeSoto County					None
Dixie County					None
Duval County					None
Escambia County					None
Flagler County	T			W	Impact Fees for transportation, parks and recreation, and educational facilities, with the transportation impact fee presently in a moratorium. These fees are collected for development within unincorporated Flagler County and for development within the City of Bunnell through interlocal agreement. The fees are based on type of land use and vary based on the type of unit being developed: single-family residential, multifamily residential, or mobile home residential. Currently an exemption from educational facilities impact fee for low-income housing. In the past, the County has sporadically waived impact fees by paying them from County funds. Such waiver/payment by the County is subject to Board of County Commissioner review and approval.
City of Fort Lauderdale		S	F		Parks Impact Fee (by dwelling unit size unit; flat fee for hotel/motel rooms).
City of Fort Meyers	T	S	F		The impact fees for residential structures are assessed at a flat per unit rate based on the unit type (SF, MF/SFA/Duplex, Mobile Home) while the impact fees for commercial structures are based on square footage and type of use. Currently there are no waivers or reductions in place.
City of Fort Pierce	T				Impact fees are assessed by type of residence primarily, with the variable of size of unit if a Single-family home. No reduction, waiver or change in process for affordable housing projects, however density and other development incentives exist for affordable housing projects.
Franklin County					None
City of Gainesville					None. The City does require the payment of Connection Fees for water and wastewater. In some ways, Connection Fees are similar to Impact Fees (for example, Connection Fees are used for long term maintenance and infrastructure). Connection Fees are assessed by type of residence and there is no reduction, waiver or change in process for affordable housing projects.
Gilchrist County					None
Hamilton County					None
Hendry County					None
Hernando County	T				Assessed by type of residence.

IMPACT FEE SURVEY OF SHIP ADMINISTRATORS, NOVEMBER 2017

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LOCAL	T	S	F	W	PERSPECTIVE
City of Hialeah			F		Any new construction or addition that it is done in the City has to go to Miami Dade County and they assess an impact fee. The City of Hialeah only charges a Parks Impact Fee and Fire Impact Fee for multifamily projects and it's a flat rate.
Highlands County	T	S	F	W	Currently, a moratorium in place on impact fees. When the County decides to implement impact fees again, a new study for all impact fee categories will need to occur and categories and rates will be decided with that study. Historically, residential impact fees where based on the following categories: 1. Single-Family (less than 1,500 sq. ft., 1,501-2,408 sq. ft., greater than 2,500 sq. ft.). A flat rate will be evaluated in future studies. 2. Multifamily (Flat Rate) 3. Mobile Home (Flat Rate) 4. Retirement/Age-Restricted Single-Family (Flat Rate) Affordable Housing was exempt from impact fees as long as it met the criteria of Affordable Housing outlined in the Impact Fee Ordinance.
Hillsborough County	T	S		W	Assess residential using a mixture of methods including location in the County (the zone). Mobility is Type and Size; Parks is Type and Bedroom count; School is Size; and Fire is a Flat rate. Affordable Housing has a program to provide relief. Multifamily developments are provided 90% relief for Park, Fire and Mobility fees. Single family construction is provided 100% relief for all but School Impact fees. Hillsborough County can also lower the Mobility Fee for houses less than 1500 square feet of living area if Affordable Housing provides documentation that shows the Annual HH Income meets select SHIP definitions (less than 50%, and between 50-80%).
City of Hollywood		S			"Park Impact Fee" assessed on square footage basis for single family or multifamily residential units and on a per room basis for hotel/motel units. Other impact fees are assessed by Broward County. No waivers, however, affordable housing projects are given a priority in the permitting process.
Indian River County	T	S			Charges impact fees per unit by type of the unit (single family, multifamily, mobile homes). To lessen the burden on smaller affordable housing single family units IRC has three categories for single family impact fees based on the size of the unit (less the 1500 Sq. Ft., between 1500- 2499 Sq. Ft., or 2500 Sq. Ft. and larger). Because impact fees are based on fair share payments by the people benefiting from the capital improvements, impact fees and utility capacity charges cannot be waived or reduced for any individual group or category of construction. On the other hand, those fees increase the cost of housing and put a burden on the production of affordable housing projects. To lessen the impact of those fees on affordable housing projects, the cost of impact fees may be paid by other funding sources. IRC pays impact fees for VLI, LI, and MI households with SHIP funds (i.e. Habitat for Humanity (HFH) clients for building their new single family units always apply for and use SHIP funds for impact fee payments.
Jackson County			F		Flat rate impact fees for single family residences in the amount of $500 each for water and sewer.
City of Kissimmee	T				Assessed by type of residence.

IMPACT FEE SURVEY OF SHIP ADMINISTRATORS, NOVEMBER 2017

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LOCAL	T	S	F	W	PERSPECTIVE
Lafayette County					None
Lake County	T			W	Flat fee that covers road, school, fire, parks, and library. County will not waive impact fees for developments unless the development is located near a school, and then the School Board must vote on whether to grant that waiver. The County typically won't waive impact fees though. The city where the development is located might, and has on many occasions if the development adds to the economic value of the area that its developing in.
City of Lakeland	T			W	By type of residence. City's Affordable Housing Incentive Plan provides for waiver of impact fees, in full or in part, for qualified affordable housing projects.
City of Largo	T			W	Charges impact fees (sewer and water, mobility and parkland/recreation) based on Type of Residence. A housing development that requests approval to be deemed an "Affordable Housing Development" may receive assistance with the impact fees from our SHIP program for the affordable set-aside units.
Lee County	T			W	Assessed by type of unit. The Lee County Board of County Commissioners and the School District have established a program that reimburses up to half (50%) of the amount paid for school impact fees for new construction of single-family or multifamily homes to be occupied by income eligible households.
Leon County					None
Madison County					None
Manatee		S			Now utilize square footage. Board just approved an innovative new program called Livable Manatee. LG will pay, from a County source, the County Impact Fees, School Impact Fees and Facility Investment Fees for new construction affordable units for both homeownership and rental up to a maximum of $500,000 per development (have resolution putting this into effect). The fund is a limited fund that once depleted may or may not be re-established. LG is legislatively looking into the possibility of fee waivers for affordable housing units that would help us to continue this program effectively.
Marion County		S			Residential Impact fees based on size. Only adopted and collect 10% of what the impact study said the cost of a residential unit is ($10,000 in capacity cost per unit, we collect $1000).
Margate	T		F		Police and Fire & EMS (flat fees for residential, per 1000 SF for nonresidential) Water Connection and Waste Water Surcharge (by unit type). Do not have any policy in place for fee reductions, waivers or process for affordable housing.
Martin County		S		W	Impact fees are assessed by size of unit and Martin County allows to defer impact fees for affordable housing.
City of Miami	T				Levies by type of residence. There is a deferral of impact fees for affordable housing with a covenant that it remains affordable housing in perpetuity. The impact fees are paid at the prevailing rate if the property is no longer an affordable housing property.

IMPACT FEE SURVEY OF SHIP ADMINISTRATORS, NOVEMBER 2017

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LOCAL	T	S	F	W	PERSPECTIVE
City of Miami Beach	T				The concurrency fee for affordable housing is based on the number of units proposed. As far as parking, it is 0.5 parking space per dwelling unit for elderly housing or 1.00 parking space per dwelling unit of 800 square feet or less for non-elderly low and/or moderate-income housing. Elderly person shall be defined as a person who is at least 62 years of age. Non-elderly person is a person who is of legal age but less than 62 years of age. Elderly household means a one- or two-person household in which the head of the household or spouse is at least 62 years of age. Non-elderly household means a one- or two-person household in which the head of the household or spouse is of legal age but less than 62 years of age. At the moment, staff is amending certain parking requirements for affordable housing.
Miami-Dade County	T			W	By type of use and region in the County. Impact fees are required to be paid prior to the issuance of any building permit for development activity within Miami-Dade County. No building permit may be issued until all required impact fees are paid in full. Miami-Dade County collects impact fees for Road, Fire and Emergency Services, Police Services, Parks and Educational Facilities. The application is reviewed for size (a square footage maximum) and type of land use for the new development. Ordinances exempt from the required payment of impact fee housing units which provide affordable housing for low and very low-income families.
City of Miramar	T		F		Flat rate fees: Police & Fire is per dwelling unit; Parks & Recreation are calculated per bedroom; Water & Sewer is a flat rate too.
Monroe County			F	W	County collects a flat fee on new market rate residential dwelling units. Replacement market rate residential dwelling units are not charged impact fees regardless of the size of the unit (larger or smaller). Deed restricted affordable housing dwelling units are not charged any impact fees.
Nassau County	T				Working on revising affordable housing incentives through the needs assessment process but for now these are usually incorporated into PUDs/Developer agreements as bonuses to allow for an increase in density for the provision of affordable housing units. It's possible the County will have additional measures/approaches next year.
City of Ocala		S			Impact fees (water, sewer) for homes are assessed based on the square footage under air/heated space. Apartments/condos are assessed based on the number of bedrooms they have. There is no concession for affordable housing projects within impact fee ordinance (70-502), but there is an Affordable Housing Fund that can offset the development fees.

IMPACT FEE SURVEY OF SHIP ADMINISTRATORS, NOVEMBER 2017

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LOCAL	T	S	F	W	PERSPECTIVE
Okaloosa County					Okaloosa County Water & Sewer refers to impact fees as Capacity Expansion Charges (CECs). There are unit prices for CECs that are based on Equivalent Residential Units (ERU). An ERU is the equivalent of one single family residence. Most single family residential construction units are charged for one ERU for sewer and one ERU for water, depending on sewer and/or water being available to the property. For apartments and condos, each unit would be charged on ERU. A 20-unit apartment project would be charged for 20 ERUs with possible additional ERUs for pools, public bathroom, etc. There are various methodologies for determining how many ERUs to charge for non-residential projects. The most common is the number of gallons per day of potential demand. One ERU is calculated as either 300 gallons per day per ERU or in some cases 350 gallons per day per ERU. ERUs on non-residential projects can also be based on formulas which use square footage, or in the case of restaurants, numbers of tables, etc. No provision for reduction, waiver or change in process for any reason. This is a requirement in the County's bond covenants.
Orange County	T				Impact Fees are levied and assessed by type of residence (single-family vs multifamily). For affordable housing projects, impact fees are not reduced or waived, but may be deferred until construction is complete.
City of Orlando	T			W	Levies Transportation, Parks and Sewer Impact fees based on the type of residence. A discount is applied to affordable housing projects for Transportation and Parks impact fees. Sewer Impact fees can be reimbursed for affordable housing if SHIP funds are available.
City of Palm Bay		S	F		The City annually adopts Fair Share Impact Fees by Resolution. The fees are a combination of flat fee and calculated additional fees based upon square footage. No waiver or reduction is permitted; however, the Growth Management Director retains authority to structure a payment plan.
Palm Beach County	T	S	F		By flat rate, type of residence and size of unit. Palm Beach County's impact fee program is comprised of 7 impact fee components. The road, law enforcement and fire rescue impact fees are flat rates depending upon whether single family or multifamily. The remaining impact fee components are contingent upon the square foot size of the proposed construction. Palm Beach County does not waive impact fees. However, the BCC has approved an affordable housing assistance program that may assist with the payment of road, public building and park impact fees. Assistance is dependent upon funding availability and approval of the Board of County Commissioners.
City of Panama City					Panama City uses the number of new water and sewer fixtures per unit as the triggers for determining impact fees. No longer offers impact fee reductions as a strategy to produce affordable housing.
City of Pembroke Pines	T				Impact fees (fire, police) are assessed by type of residence.
City of Pensacola					None

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LOCAL	T	S	F	W	PERSPECTIVE
Pinellas County	T				Multi-modal impact fee by residence type.
City of Plantation	T				By residence type. No reductions for affordable housing.
Polk County	T			W	Provides full waiver of impact fees for affordable housing developments, single and multifamily for households making less than 80% of area median income. The County also provides mitigation of 50% of impact fee costs for workforce housing developments, single family and multifamily for households making up to 120% of area median income for the Lakeland – Winter Haven MSA.
City of Pompano Beach	T		F		Charges impact fees for parks (community and neighborhood parks). These park impact fees are determined based on the location in the city, the type of residential structure (i.e. single family, townhomes, garden apartment, etc.), and number of bedrooms. Do not give waivers for affordable housing at this time.
City of Port St. Lucie		S			Tiered impact fees based on square footage for unit. Reduction of impact fees for in-fill housing or housing in different areas of the city, such as CRA, etc.
St. John's County		S			By size of unit (>1,800 sq. ft.; <1,800 sq. ft.). There is an ordinance that allows for the expedited review of affordable housing developments. However, it has not been utilized in many years.
St. Lucie County	T		F		Both flat rate and by the type of residence. One for a single-family home, one for multifamily, etc. and not based on size. The fire impact fee is different for multifamily if it is more than 3 floors in height. No waivers for affordable housing.
City of St. Petersburg		S	F		Approved an Ordinance on July 13, 2017 that establishes a flat fee of $250.00 for single-family residential properties that are less than 1400 SF in size. By comparison, the fee scheduled that was revised, a new 1200 sf home that had a construction value of $100,000 would have been charged $787.50 in permit fees.
Santa Rosa					None. Impact fees were first collected by Santa Rosa County 1/1/2006 and were suspended indefinitely as of 12/31/2009. When collected: SFR = $2,090 for Urban areas and $1,222 for Rural areas; Multifamily = $1,468 Urban and $858 for Rural (per unit). Would be collected in either one lump sum amount or payments over a 7-year tax period.
Seminole County	T				Impact fees based on unit type and region of County. The largest single impact fee is the school impact fee. Seminole County has been examining ways to provide a modification of impact fee requirements including but not limited to reduction, waiver or alternative methods of payment of impact fees. To date, a funding source as not been identified to provide an alternative payment of impact fees. The funding source, policy and procedures to implement such a program has not been located and implemented.
Suwannee County					None

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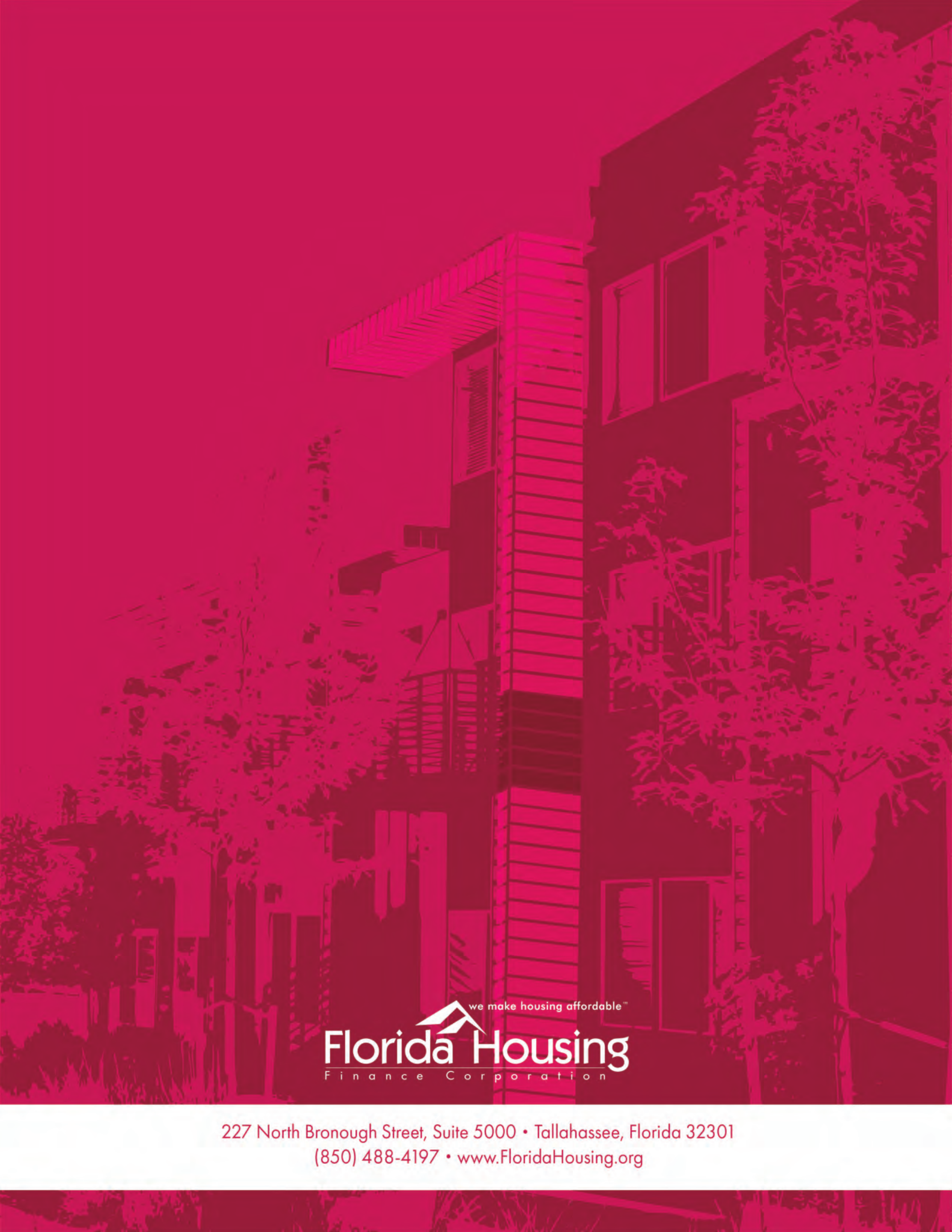
LOCAL	T	S	F	W	PERSPECTIVE
City of Tamarac					Currently use a negotiated development agreement for impact fees. In the process of doing a fee study and will most likely change that model pending the recommendations from the study.
City of Tampa		S			School Impact Fee is based on square footage (these apply only to projects with residential occupancies). For utilities, some are based on meter size, but there are also charges based on area and special considerations that may be unique to a given project. Do have multimodal fee exemption areas (Ybor and East Tampa). Do not exempt for affordable housing, per se, but Ybor and East Tampa are considered blighted. Multimodal fees have not changed since 1989.
City of Titusville	T				Impact fees based upon type of use and number of units. There is a deferment in place for affordable housing projects.
Union County					None
Volusia County	T				Residential impact fees are levied by type of residence: Single Family, Apartment, Residential Condominium/Townhouse Complex, Mobile Home within a Park. There is not reduction, waiver or change in process for affordable housing.
Walton County			F		Building department collects $25 fire impact fees per house at building permit. City of DeFuniak does not waive water and sewer tap and impact fees but makes a contribution to the project on the amount of the fees.



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About the National League of Cities

The National League of Cities (NLC) is the voice of America's cities, towns and villages, representing more than 200 million people. NLC works to strengthen local leadership, influence federal policy and drive innovative solutions.

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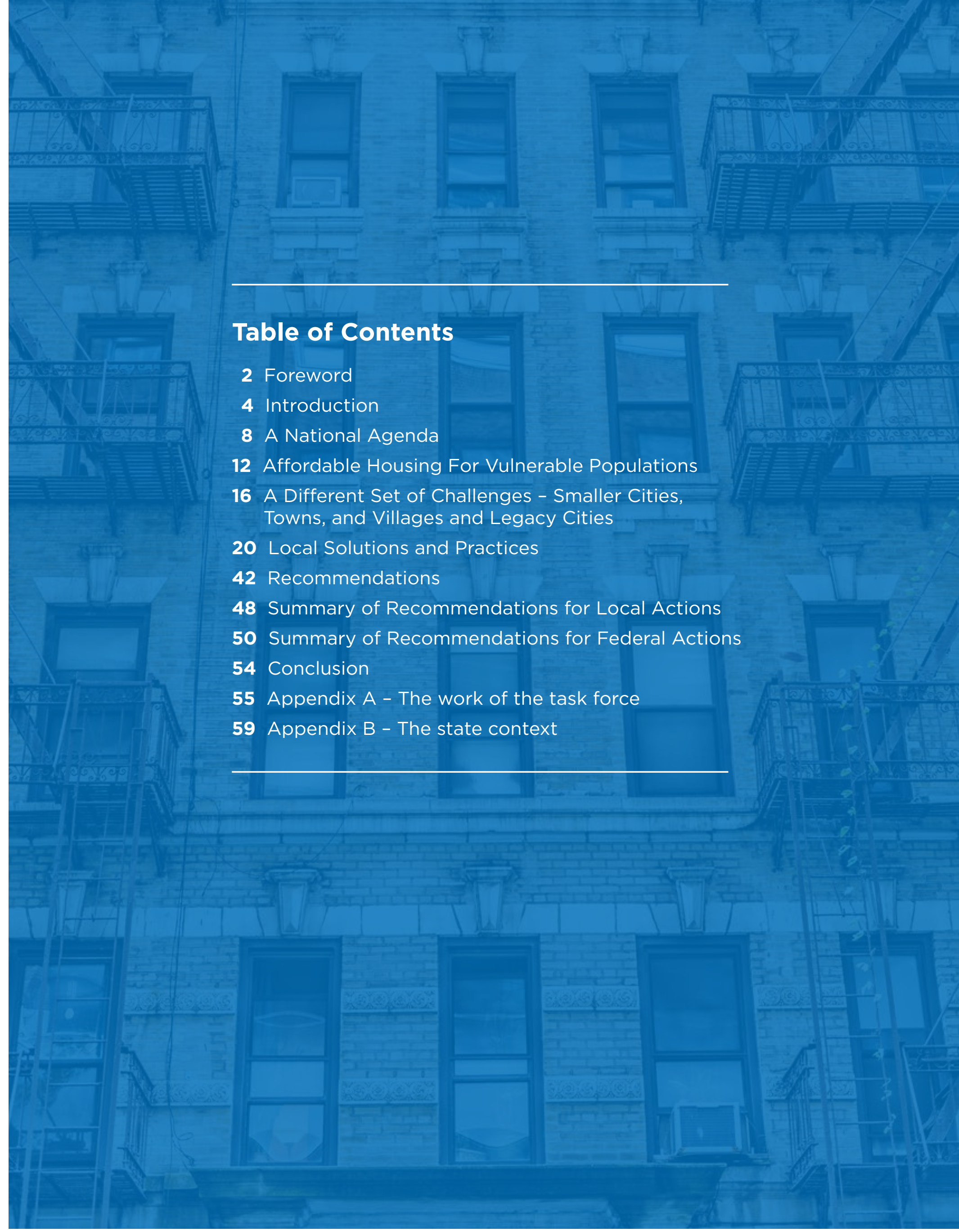

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FOREWORD FROM MAYOR BOWSER

The United States has a housing crisis. In cities and towns nationwide, access to housing — particularly access to safe and affordable housing — continues to be a major concern and increasingly serves as one of the biggest barriers to economic prosperity for American families.

Because of stagnant wages, rising real estate prices, higher interest rates, and strict lending standards, housing has become an outsized cost for more and more working families. And not just for homeowners. Nearly 40 percent of households in the U.S. are rented homes, and of these households, half are "cost burdened," meaning they spend more than 30 percent of their income on housing. Too many Americans are forgoing basic necessities just to pay rent or make their mortgage payment.

This crisis is affecting the quality of life for people throughout our nation, and the time to act is now. All levels of government need to face this housing crisis head-on.

We know: When cities come together and focus on an issue, we get the work done. Cities are incubators for innovation and places where rhetoric translates into action.

But cities cannot do this work alone. The federal government must step up, treat our nation's housing needs seriously, and recognize that housing is infrastructure. Together, we must double-down on solutions that are working. We must think bigger and bolder to address our most persistent challenges. And when we have solutions, we must fund them.

A safe and stable home is the first step to a safe and stable life. Together, we must act with urgency to end our nation's housing crisis.

MURIEL BOWSER

Mayor, Washington, D.C.,
and Chair, NLC's Housing Task Force

INTRODUCTION

Housing is the single biggest factor impacting economic mobility for Americans.[1,2] When residents have stable living conditions, the benefits are apparent — students do better in school and health outcomes improve.[3] Communities benefit as a whole from this stability. Opportunities for investment growth and economic prosperity develop when sustainable housing serves the needs of residents across generations and income levels. It's up to local governments to make the right housing decisions to create positive outcomes for residents and communities.

Stable housing is a prerequisite for:

- ***Economic mobility.*** Federal investment in affordable, stable housing is also an investment in children and their future. Student achievement is maximized when students can go home to stable, affordable housing. Low-income children in affordable housing score better on cognitive development tests than those in unaffordable housing.[4] Younger low-income children in families using housing vouchers to move to neighborhoods with better opportunities earn an average of $302K more in their lifetime. And affordable housing options in high opportunity neighborhoods create economically diverse schools, which are 22 times more likely to be high performing as high-poverty schools.[5]
- ***Job security.*** The construction of 100 affordable homes generates on average $11.7 million in local income, 161 local jobs and $2.2 million in local taxes.[6] Conversely, involuntary housing loss, like forced moves and evictions, is strongly correlated to involuntary job loss.[7]
- ***Health and well-being.*** Young children in families who live in unstable housing are 20 percent more likely to be hospitalized than those in stable housing.[8] In addition, households with poor housing quality had 50 percent higher odds of an asthma-related emergency-room visit during the period of the study.[9] Other research indicates that "five percent of hospital users who are responsible for half of the health care costs in the U.S. are, for the most part, patients who live below the poverty line and are housing insecure.[10]

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[1] The Links Between Affordable Housing and Economic Mobility, Reid, Carolina, The Terner Center, University of California at Berkeley, May 2018.
[2] Housing Policy Levers to Promote Economic Mobility, Blumenthal, Pamela and McGinty, John, the Urban Institute, October 2015.
[3] The Positive Impacts of Affordable Housing on Health: A Research Summary, Lubell, Crain, and Cohen, Enterprise Community Partners, 2007.
[4] Housing Affordability and Child Well-Being, Newman, Holupka, Bloomberg School of Public Health, Johns Hopkins University, January 2015.
[5] High-flying schools, student disadvantage, and the logic of NCLB Harris, American Journal of Education, 113(3), 367–394. (2007).
[6] Housing Investments Spark Economic Stimulus and Job Creation, Fact Sheet, Opportunity Starts at Home Campaign, 2019.
[7] Who gets evicted? Assessing individual, neighborhood, and network factors, Desmond, Gershenson, Harvard University, Social Science Research, 1-16, 2016.
[8] Housing as a Health Care Investment: Affordable Housing Supports Children's Health, Sandel, Cook, Poblacion, Sheward, Coleman, Viveiros, Sturtevant, National Housing Conference, Children's HealthWatch, 2016.
[9] Pediatric Asthma Health Disparities: Race, Hardship, Housing, and Asthma in a National Survey, Hughes, Matsui, Tschudy, Pollack, Keet, Academic Pediatric Association, November 2016.
[10] Tailoring Complex Care Management for High-Need, High-Cost Patients, Blumenthal, Abrams, JAMA, October 2016.

The task force settled on a set of five national housing policy recommendations:

1. Immediately stabilize and stem the loss of public and affordable housing.

2. Follow emergency intervention with passage of a long-term, stand-alone federal housing bill that authorizes ten years of new funding for pilot programs that advance housing for all.

3. Support innovation and modernization of land-use and planning at the local and regional level.

4. Fix inequities in housing development and the housing finance system.

5. Support scalable innovation and financing for cities, towns and villages.

They also settled on five local recommendations:

1. Establish local programs by combining funding and financing streams to support housing goals.

2. Modernize local land use policies, including zoning and permitting, to rebalance housing supply and demand.

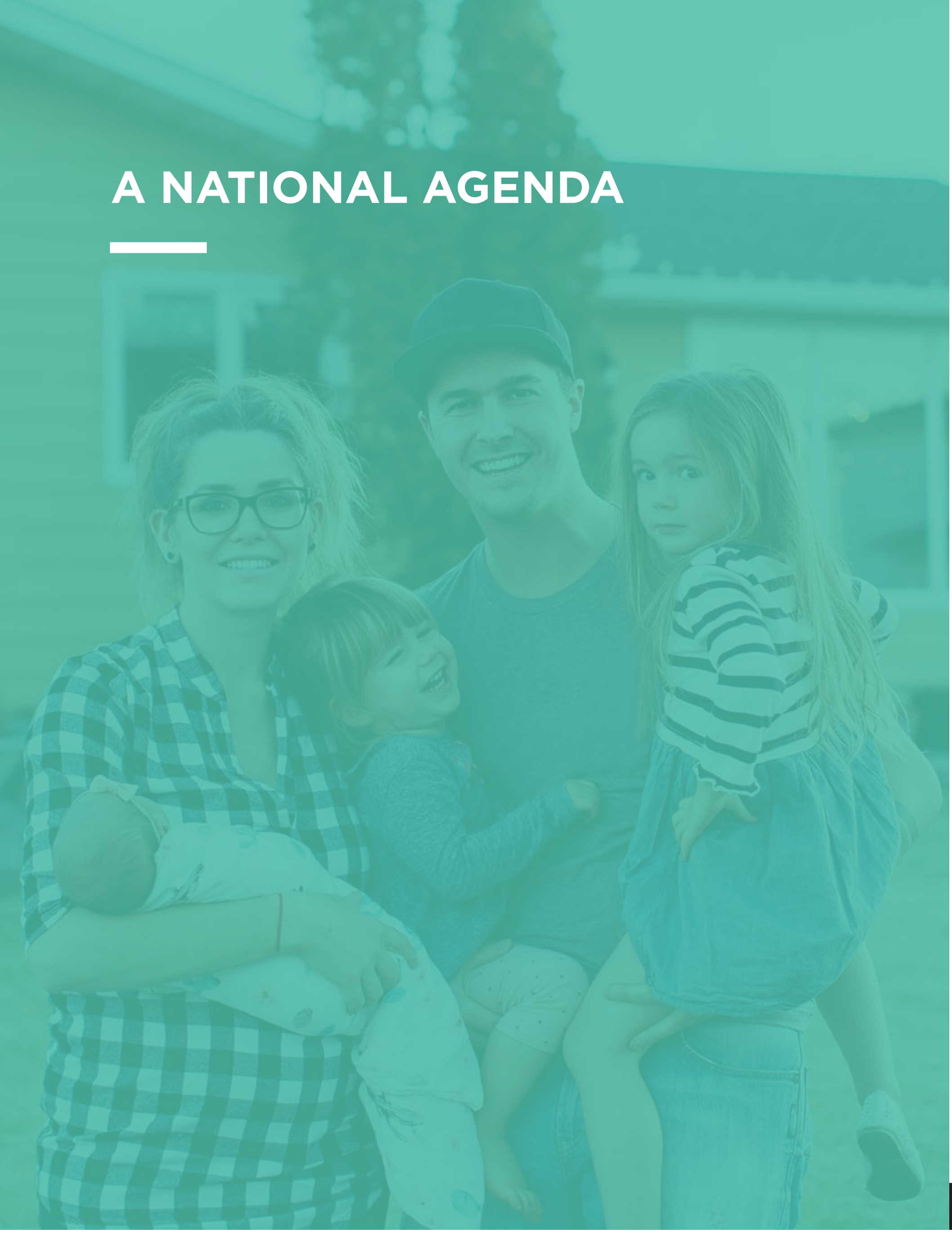
3. Identify and engage broadly with local stakeholders; and coordinate across municipal boundaries, to develop a plan to provide housing opportunities for all.

4. Support the needs of distinct sub-populations including the homeless, seniors and persons with conviction histories.

5. Prioritize equitable outcomes in housing decision as it is an essential component for success.

Our goal is to ensure that safe and quality housing will be viewed as a right, not a choice.

In order to make real progress in narrowing the gap in access to quality, affordable and safe housing, local leaders must take on the status quo and make significant structural alterations. The most obvious route to address historic inequities would be to institute new policies that consider housing affordability, housing stability and the gap in availability of safe, healthy housing in all communities. City governments must provide tenants with legal support, prevent foreclosures, prioritize control over zoning by communities of color and create independent equitable development entities that put decision-making power over public investment in the hands of communities most at risk for displacement.



A NATIONAL AGENDA

Every American deserves the opportunity for housing, because stable housing is a prerequisite for economic mobility, job security, and health and well-being.

President Lyndon Johnson signed The Housing and Urban Development Act into law in 1965. With the stroke of his pen, he transformed the way government approaches housing. The new law established a national goal to "make sure that every family in America lives in a home of dignity and a neighborhood of pride, a community of opportunity and a city of promise and hope."[11] The Act would reshape American cities, towns, and villages by vastly expanding housing and homeownership opportunities — for some. Official policies of residential segregation and housing discrimination, including mortgage redlining, made their own mark on cities and tribal lands in ways we still haven't overcome.

Early Federal Policy

American's attitudes and biases about housing are changing; local governments are changing in response.

Today's housing crisis is rooted in the bedrock of America's founding and the seizure of land for development by new settlers. Fast forward to the 1930s: America was building on existing racist deed restrictions with the introduction of redlining, which was the overt practice of restricting the neighborhoods in which homebuyers could get federally-backed home mortgages based on race and ethnicity. National policy sanctioned by the Federal Housing Administration included color-coded lines drawn on maps to delineate areas where financial institutions should or should not invest.

The federal government built redlining into its developing federal mortgage system, transforming American cities. Local government was complicit in redlining through its role in using the federal guidelines. In the 1930s, redlining converted clear racist action into structural racism that has resulted in long-lasting negative impacts. The practice shaped the geography of American cities, towns and villages, and embedded drastic racial bias into both institutional policy and implicit associations by setting the precedent that spaces associated with people of color are risky investments.

Historically, decisions made by local government leaders have in many cases exacerbated this crisis. While there is increasingly strong leadership by mayors and councilmembers, the problems with the current-day housing crisis are often the outcomes of past restrictive local policies, such as the movement in the post-World War II era toward suburbanization and housing policies dependent on automobiles.

[11] HUD at 50: Creating Pathways to Opportunity, Khadduri, U.S. Department of Housing and Urban Development, Office of Policy Development and Research, 2015.

Adding to this history of inequitable outcomes in the housing market are choices made by local government officials to protect incumbent homeowners rather than newcomers through "NIMBY" politics. This trend has grown over the last 70 years. Even though some trends are reversing on sprawl, NIMBYism is still a potent force.

In addition to impacts on housing and geography, the legacy of redlining facilitated the racial wealth gap. Since most Americans build wealth through homeownership, the provision of higher value government-backed loans to white families that were denied to families of color subsidized the intergenerational accumulation of wealth differentially by race. People of color were systematically denied loans and forced into devalued properties. Unfortunately, these patterns of racial discrimination in lending continue as, even today, real estate and financial industries deny low-interest loans to people of color at higher rates than they do to white people.

Racialized zoning has permanently altered America's cities. It embedded legally recognized segregation into our geography and social relationships. Today's housing crisis is a descendant of these destructive, 90-year old policies. Addressing today's housing crisis requires us to examine our past. It also requires city leaders to address those residents most impacted by the housing crisis today. These efforts may help rebuild the trust that communities of color have lost in their local governments due to centuries of policies, practices and procedures that caused differential outcomes by race.

Changing Urban Patterns

Urban decline, characterized by "white flight" (a term coined in the mid-20th century to describe the departure of white people from places largely populated by people of color), and residential segregation, mortgage discrimination, and federal disinvestment in legacy infrastructure, has made its way to the towns, villages and suburbs beyond city limits. Problems once concentrated in large urban areas have sprawled. But there's another problem. Local leaders in the suburban and rural areas don't have federal programs tailored to their municipalities. Instead, their only choice is to address these challenges using set federal programs established with large cities in mind.

Suburban sprawl is resulting in problems once relegated to urban spaces. Such problems include those associated with maintenance and replacement of decades-old, federally-funded legacy infrastructure and public housing. And no matter the location or size of a city, village or town, challenges like these are too big to solve alone.

Local elected officials are hearing the message loud and clear that all residents are ready for a new direction on housing. Local governments, having contributed to the present state of housing affordability, are changing their approaches to housing. Many are adopting practices that reduce costs and limit other barriers to housing development. Experimentation and innovation at the local level, free from the threat of federal preemption, is the appropriate response at this time.

Despite abundant research and evidence supporting the importance of housing stability, the growing demand for housing

assistance, and the demonstrable need for greater policy interventions, federal housing assistance is poised to fall to its lowest level in 40 years.[1,2]

For many reasons, the federal budget and appropriations process has failed to create opportunities for Congress to intervene sufficiently before a housing crisis, past or present. The housing foreclosure crisis precipitated The Great Recession that finally spurred Congress into action with a recovery act, and a new set of quickly-assembled programs to mitigate foreclosure and eviction. In the end, these efforts did not live up to expectations.

The federal budget and appropriations processes are also subject to constant and growing uncertainty, even in years when the government avoids shutdowns. Uncertainty over program funding and subsidy availability weakens potential for federal intervention in the housing market, where lenders and developers alike crave and reward certainty.

Furthermore, most public housing in the U.S. is at least 40 years old and in need of repair. Despite a clear need, years of funding cuts, uneven management and oversight have jeopardized the longevity of about a million units of permanently affordable public housing. The primary residents of public housing — families with children, the elderly and people with disabilities — will strain public services if their housing becomes distressed to the point where they have to be involuntarily removed.

[1] New Budget Deal Needed to Avert Cuts, Invest in National Priorities, Parrott, Kogan, Taylor, Center on Budget and Policy Priorities, 2019

[2] Chart Book: Cuts in Federal Assistance Have Exacerbated Families' Struggles to Afford Housing, Rice, Center on Budget and Policy Priorities, 2016

AFFORDABLE HOUSING FOR VULNERABLE POPULATIONS

Housing affordability issues can be particularly harmful for more vulnerable populations like the homeless, senior citizens and residents with incarceration histories. However, improvements over the past decade serve as evidence that positive change will continue.

The Homeless

Housing and other issues, such as homelessness, have been viewed as intractable urban policy issues for decades. But the nation's housing-affordability crisis has only been around since the 1970s, with the modern experience of homelessness emerging in the early 1980s.

As cities grappled with unsheltered homelessness, a variety of responses developed around the idea of emergency shelter. In the ensuing decade, a shelter and transitional housing-based system developed with budding federal resources. At the start of the 1990s, homelessness became less of a priority. Additionally, the homeless were often required to demonstrate medication and sobriety compliance before being considered for permanent housing placement.

Introduction of the U.S. Housing and Urban Development's Housing First strategy, built on the premise that the answer to homelessness is housing, turned this framework around in the early- to mid-1990s. The strategy placed people into housing, regardless of sobriety and medication compliance. It also provided client-tailored case management services. As efforts built, these services began to include clinically-proven case management techniques based on harm-reduction and trauma-informed care.

In 2010, the federal government's plan, Opening Doors, amended its plan to prioritize specific sub-populations for the first time. By then, many communities had developed plans to end homelessness, and since 2010, veteran homelessness in the U.S. has declined 48.8 percent.

Senior citizens

With an estimated 50.8 million people aged 65 and older in the U.S., addressing the issue of home repairs and modifications so that residents can age in place can seem daunting for local leaders. But these modifications are necessary to reduce emergency responder calls for injuries resulting from homes not having things like ramps and grab bars.

To strategically meet this growing need, city leaders can standardize the assessment of needs, improve resource targeting, enhance service provider coordination, increase clientlevel data-sharing and persistently engage local decision makers.

Home repair programs administered by local government (and often funded with resources from the CDBG program) can be targeted to support low-income seniors. Capturing these data and targeting information about these households allows cities to address various housing challenges.

Residents with incarceration histories

Cities and towns of all sizes need to consider their roles in policy, services and support for the nine million Americans who get released from jail each year, as well as the more than 600,000 persons released annually from state and federal prisons. Even a few days spent in jail can cause housing issues. In addition, challenges to finding housing often worsen after prison reentry. In 2013, HUD noted that "Incarceration and homelessness are highly interrelated as the difficulties in reintegrating into the community increase the risk of homelessness for released prisoners, and homelessness in turn increases the risk for subsequent re-incarceration." (Notice PIH 2013-15 (HA)[12]

To cut down on the risk of homelessness for these residents and improve their access to housing, city leaders must commit to reviewing, and modifying if necessary, local fair-housing policy related to landlords' ability to deny rental applicants based solely on conviction history. Prison and pre-arrest diversion also rank high on the list of city policy options.

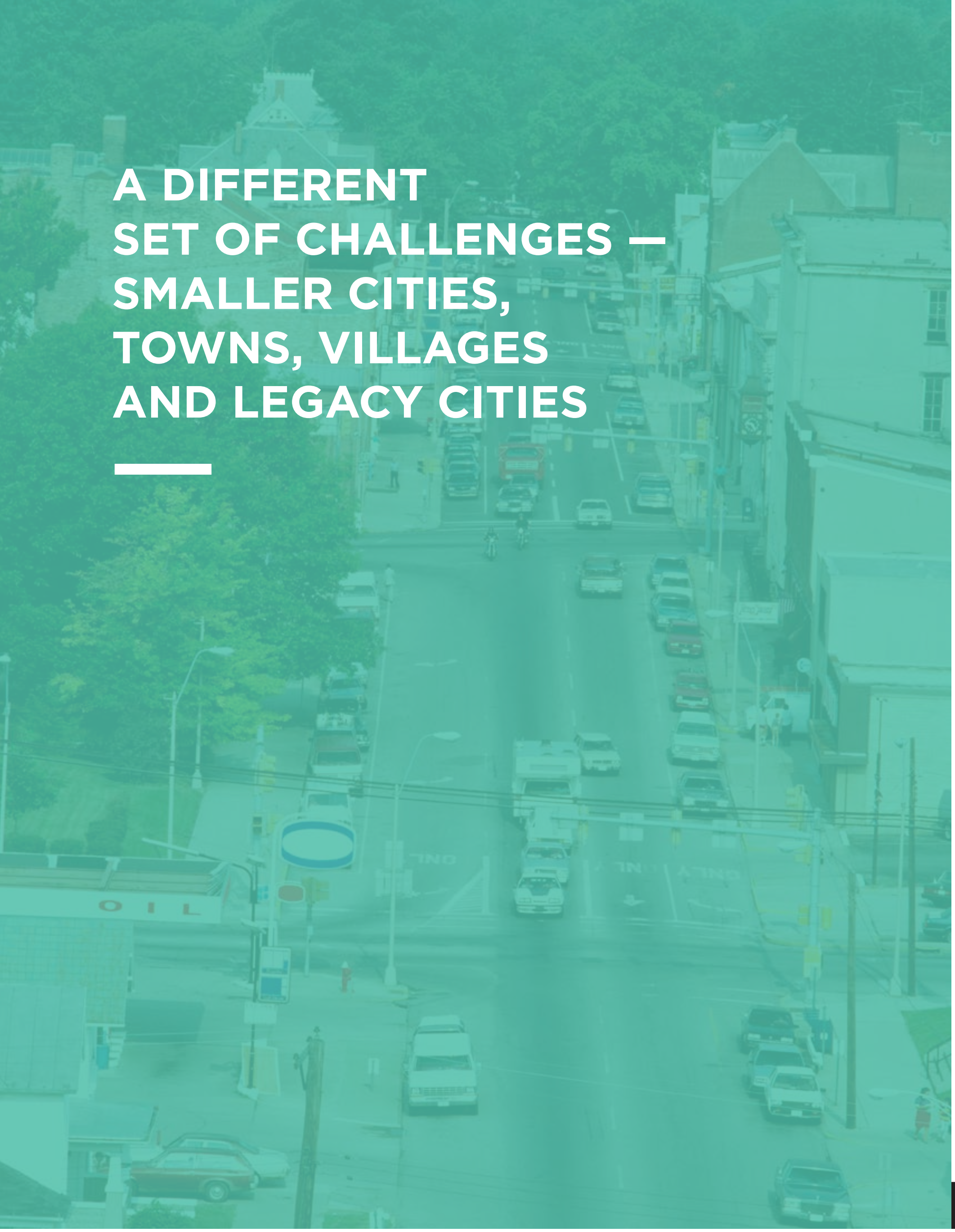
Some city leaders may also have the ability to influence local public housing authority (PHA) policies. PHA can also contribute to other inequities, as described in 2015 HUD guidance: "Because of widespread racial and ethnic disparities in the U.S. criminal justice system, criminal-history-based restrictions on access to housing are likely disproportionately to burden African-Americans and Hispanics." (Notice PIH 2015-19)[13]

City leaders who can influence PHA policy should dig further and ask themselves if the local PHA places additional restrictions on access to public housing beyond those restrictions required by Federal regulations (which are limited to one's name appearing on the lifetime sex offender registry or convictions for manufacturing methamphetamines on government property). If such additional restrictive layers exist, city leadership should look into whether or not the restrictions meet a "reasonable and necessary" test of producing tangible evidence of improved public safety. If they don't, actions should be taken to remove those additional layers.

[12] Guidance on housing individuals and families experiencing homelessness through the public housing and housing choice voucher program, U. S. Dept. of Housing and Urban Development, Washington, D.C., June 10, 2013

[13] Guidance for Public Housing Agencies and Owners of Federally-Assisted Housing on Excluding the Use of Arrest Records in Housing Decisions, U.S. Dept. of Housing and Urban Development, Washington, D.C. Nov. 2, 2015

"City leaders must commit to reviewing, and modifying if necessary, local fair-housing policy related to landlords' ability to deny rental applicants based solely on conviction history.



A DIFFERENT SET OF CHALLENGES — SMALLER CITIES, TOWNS, VILLAGES AND LEGACY CITIES

American municipalities represent a huge variety of sizes, places and circumstances, each with their own housing challenges. For many cities, especially those smaller in size or those with a legacy of growth driven by industrial manufacturing or family farms, stagnant economic trends have led to an excess of homes and/or residential lots.

Cities in this situation show a distinct pattern of economic changes that diminish the earning power of workers, often starting with increasing global competition, the loss of major employers or natural disasters such as draught or flood. In the absence of jobs and with reduced opportunities, populations decline, and tax dollars for new municipal investments designed to spur growth decrease.

Efforts to boost economic growth do not directly address vacant and abandoned housing, one of the greatest challenges for cities in this bucket. The 2018 report, *The Empty House Next Door,*[14] suggests that small cities and rural areas have levels of vacancy comparable to, or higher than, even the most distressed central cities.

Other problems can include rental property owners who fail to maintain their property in habitable condition, inadequate building inspection and code enforcement, and limited protections for tenants facing eviction. Problems can extend to the leveraging of public lands through land trusts or land banks, and effectively using the Community Reinvestment Act to advance private sector investment.

[14] Guidance on housing individuals and families experiencing homelessness through the public housing and housing choice voucher program, U. S. Dept. of Housing and Urban Development, Washington, D.C., June 10, 2013

The first step is accruing data on vacant property. Gary, Indiana, through its Gary Counts initiative, has inventoried more than 58,000 parcels, leading to the identification of more than 25,000 empty lots and 6,500 vacant buildings. More than 200 volunteers, plus partners from Indiana University, University of Chicago, The Knight Foundation and the Legacy Foundation, supported the effort. The goal of this exercise, according to Gary Mayor Karen Freeman-Wilson, was to "make smarter, more calculated decisions on how to best address demolition and redevelopment." The city made this a community-wide priority.

Although demolition of a dilapidated house is often the safest course of action, the cost of demolition and the backlog on such projects remain a challenge. Once a lot is cleared however, an increasing number of policy options emerge, like greening empty lots, side-lot annexations, land banking and land trusts.

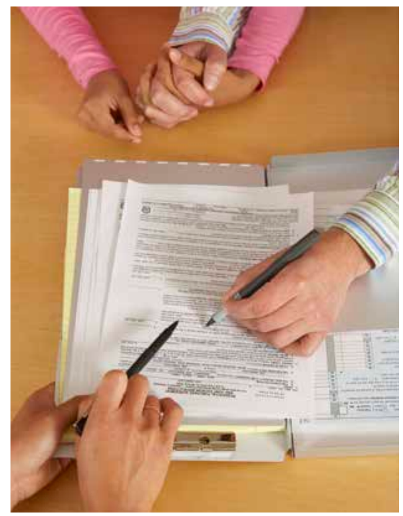
Additionally, many cities create opportunities for vacant lot annexations as part of a wider neighborhood stabilization plan. In this case, existing homeowners may annex an adjacent vacant lot, thus increasing the size of their individual lot. This usually comes with an incentive, such as a property tax waiver for some fixed period on the value added to individual's property. This technique keeps land on the tax rolls over the long-term, brings stability to the neighborhood and provides a tangible benefit to the homeowner who acquired the extra land.

Another alternative is to reinvent vacant lots as open space, especially in neighborhoods with few parks and playgrounds. Open space can also be turned into neighborhood gardens. Maintaining open space around a neighborhood has an added environmental

benefit: Open land absorbs rainfall instead of contributing to runoff that clogs sewer pipes. For land that is neither immediately commercially viable for sale nor useful for parks and open space, land banks and land trusts present the most useful options. A land bank acquires and holds land for future investment and development. Often these properties were the subject of foreclosure proceedings and may be tax-delinquent properties. Land banks are separate institutions from local governments but work hand-in hand to establish strategic long-term goals for real estate development.

A land trust (or community land trust), on the other hand, is a form of shared equity ownership to ensure permanently affordable housing. The largest and most well-known in the U.S. is the Champlain Housing Trust in Vermont. The second largest is the Dudley Neighbors Inc. property in Boston's Roxbury neighborhood. The trust manages real estate pulled from the private marketplace. Home prices are kept at below market rates because the land is kept by the trust and the appreciation of the property is shared from owner to owner over time. Each owner can buy into the trust at a below-market price in exchange for sharing the appreciated value of the property with the trust at the time of sale. This mechanism guarantees long-term affordability in perpetuity.

The best strategy is for cities to use an "upstream approach." This means preventing vacancy before it happens. This approach requires coordination of several strategies including temporary or emergency mortgage/



rental assistance, vigorous code enforcement including rental inspection ordinances, incentive funds for improvements to homes and apartment buildings (going to owner-occupants or to building owners), and protections for tenants from evictions that aren't just-case. Seniors on fixed incomes, for example, are a perfect target for programs that offer financial assistance for home maintenance and improvement toward the goal of helping residents age in place. For smaller communities that lack capacity for such preemptive measures, a shared regional housing authority (or even shared code inspection and enforcement) may prove to be an appropriate mechanism to manage such tasks.

Finally, because housing is such an important component of community prosperity, investments in nurturing or simplifying the creation of new small businesses is an essential task for city government. The U.S. Small Business Administration indicates that there are more than 30 million small businesses, which account for more than 99 percent of the U.S.' businesses.[15] These businesses are the drivers of economic churn in American communities and hire locally.

[15] 2018 Small Business Profile, U.S. Small Business Administration, Washington, D.C., 2018, https://www.sba.gov/sites/default/files/advocacy/2018-Small-Business-Profiles-All.pdf.

LOCAL SOLUTIONS AND PRACTICES

American cities have varying levels of authority and different combinations of housing-related policy tools at their disposal. Even more important to note is that each city faces unique conditions in its local housing market. These varying conditions call for a diverse array of approaches to reach successful outcomes especially for "missing middle" housing for average income Americans. When it comes to cities providing housing for low and very low income residents, the efforts contributed by local governments must be supported by robust federal housing subsidy programs such as HUD's HOME and CDBG programs.

Local housing market factors include:

1. Fluctuations in job and population growth or loss
2. Labor costs
3. Building material costs
4. Availability and cost of credit for consumers and for investors
5. The presence and capacity of real estate developers
6. The presence and capacity of Community Development Corporations and Community Development Financial Institutions
7. Availability, cost and regulation of land
8. The type, location and quality of existing housing
9. State preemptions
10. Building codes and inspections policies
11. Tenant protections (such as just-cause eviction, rent control, rental inspections)
12. Federal housing supports

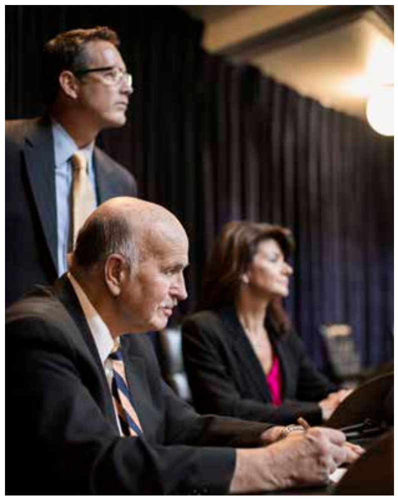
13. History of real estate lending practices, including disparities by race, gender, etc.
14. History of restrictive covenants and discriminatory zoning practices like redlining
15. Perceived quality of schools
16. Perceived value of housing stock production compared to other policy goals (such as community character, building height, setback requirements and other aesthetics)

Some of these conditions are beyond local government control. Others, such as use of federal housing supports, land regulation, and how a city manages its permitting and real-estate development processes can be greatly influenced by local governments.

In cities with hotter markets, skyrocketing housing prices are often the result of mismatches between supply and demand. A growing economy paying good wages to an expanding high-skill workforce attracts more residents. Those residents in turn compete for a limited pool of housing. Thus, supply of housing for middle income working families remains insufficient. Meanwhile, older housing stock that might otherwise be affordable remains out of reach for many lower- and middle-income residents because consumer demand keeps rents high overall. This is an example of downward market pressure.

In cooler-market cities where employment numbers are flat or declining and population may also be declining, property values tend to be stagnant. This happens when properties fail to appreciate, which means homeowners don't accumulate wealth even though tax rates often increase. Existing residents — many of whom may be on fixed incomes, like seniors — experience greater and greater economic strain.

These cities in economic transition often have little capital to make strategic investments to keep decay, blight and abandonment at bay. The spiral continues until land prices drop so low that they entice private sector speculation. This trend has severe consequences, like the potential loss of existing affordable housing due to abandonment, neglect and ultimate demolition, and displacement of existing residents who will not reap the benefits associated with new investments.



Local Case Studies

Different cities have handled these challenges differently. Members of the housing task force have shared their stories to help their peers think through their own housing challenges, and consider what tools might help solve them.

"In cities with hotter markets, skyrocketing housing prices are often the result of mismatches between supply and demand.

1. LOCAL GOVERNMENT: LEVERAGING FINANCES

Case Study: Washington, D.C.'s Housing Preservation Fund

Key strategies learned in Washington, D.C.:

- Make preserving existing affordable housing a priority.
- Partnerships outside local government are essential to secure the necessary capital.

Washington, D.C.'s, population and economy have grown in recent years, causing an increased demand for affordable housing for low and moderate income households. In addition, the current affordable-housing stock is at risk because:

- Between 2006 and 2014, at least 1,000 subsidized housing units became less affordable.
- An additional 13,700 units have subsidies that will expire by 2020 and may also become less affordable.

Following the recommendations of the DC Housing Preservation Strike Force (an 18-member team of housing experts and members of the public created in 2015 by Mayor Muriel Bowser to address the issue of affordable housing), the city created a "Preservation Unit" within the Department of Housing and Community Development. The unit launched in 2017 and focuses on preserving affordable units with and without government subsidies. It also collects and maintains data on all affordable housing opportunities in the city. Its specific duties include:

- Reaching out to property owners, investors and others associated with real estate and housing advocacy in the District to establish relationships and gather information.
- Discussing specific options with owners and other interested parties with the goal of coming to agreement on preservation outcomes, even when the threat to affordability is not in the immediate future.
- Providing financial and technical assistance in real-time so preservation emerges as the most efficient and effective method for the city to provide affordable housing.

Mayor Bowser invested $10 million in local funds for the unit's Housing Preservation Fund in fiscal years 2017 and 2018. Along with additional private and philanthropic investments, the fund will grow to about $40 million. The money will be used to help finance eligible borrowers intending to purchase and maintain occupied multi-family housing with more than five units, half of which must be affordable to households earning up to 80 percent of the median family income. As of this writing, more than 800 units have been preserved as affordable housing since the start of fiscal year 2018.

Targeted programs that address challenges in the housing market are aligned with the funding. For instance, the Small Buildings Grant Program will provide funds for limited systems replacement and other key repairs to eligible property owners of multi-family rental housing of five to 20 units. Repairs are expected to improve substandard housing conditions, including safety and environmental hazards in D.C. as required by other regulatory agencies. The Tenant Opportunity to Purchase Act gives tenants in buildings for sale the first opportunity to buy the building. The following services are available to support tenant groups seeking to purchase a building and convert the units into cooperatives or condominiums:

1. Financial assistance such as seed money, earnest money deposits and acquisition funding;
2. Technical assistance; and
3. Specialized organizational and development services, to include structuring the tenant association, preparing legal documents, and helping with loan applications.

More than 1,000 units have been preserved as affordable housing since fiscal year 2002.

Other targeted programs, like the Single-Family Rehabilitation program and the Safe at Home program, assist seniors with home repairs to alleviate D.C. building-code violations, remove health and safety hazards, and improve accessibility for residents with mobility or other physical impairments. The city is also instituting a new Housing Assistance Program for Unsubsidized Seniors that provides modest housing assistance to low-income seniors who do not otherwise receive housing assistance.

Case Study: Safeguarding Affordable Homes, Oakland 17K/17K

Key strategies learned in Oakland:

- Set realistic targets.
- Back the initiative with local resources.
- Secure community support.

Oakland, California, rode the crest of a great economic wave in 2015. Years of growth in both higher-wage and lower-wage jobs had helped to make the city a haven for tech entrepreneurs and others seeking to share in the growing prosperity and Bay Area lifestyle. But the large numbers of businesses and people pouring into the city strained the local housing market. Limited housing supply and rising prices contributed to the growing number of Oaklanders unable to purchase or rent affordable homes. In addition, local housing dynamics led to the displacement of generations of vulnerable residents, including many residents of color and low-income families who initially established the vibrant and diverse culture of the city.

Mayor Libby Schaaf decided to guard these communities. In September 2015, she convened the Oakland Housing Cabinet, an assembly of city councilmembers, housing experts and community stakeholders. The Housing Cabinet quickly established a set of shared values and criteria for evaluating the feasibility of the city's strategic options on housing affordability, with help from the city's *Roadmap Toward Equity: Housing Solutions for Oakland.*[16] The following year, the Housing Cabinet released its *Oakland at Home*[17] report. The report outlined a new goal: to protect 17,000 households from displacement and building 17,000 new and affordable homes by 2024. Mayor Schaaf called the plan "17K/17K." Strategies included using funds from the city's $600 million infrastructure and affordable housing bond called "Measure KK" and reforming the city's permitting process.

By 2019, nearly 13,000 Oaklanders now benefited from new tenant protections and the number of evictions had declined by more than 30 percent.[18] In addition, 10,000 new homes have been built, representing a 34 percent increase in the number of affordable homes over the previous three years.

Case Study: A Fight for Housing Affordability in Atlanta

Key strategies learned in Atlanta:

- Partner with the private and nonprofit sectors.
- Set a bold vision.
- Commit local resources.

When it comes to affordable housing, Atlanta is battling a serious crisis. The rising cost of owning or renting a home has become a serious barrier, and eighty percent of city households spend 45 percent or more of their annual income on housing and transportation expenses. About 1,500 homes are lost each year to deterioration.

Mayor Keisha Lance Bottoms recognized the need for funding and a comprehensive policy agenda to address the situation. HouseATL, a taskforce funded by the Arthur M. Blank Family Foundation in partnership with Urban Land Institute Atlanta and others, developed a set of 23 tactical recommendations to improve housing affordability. The recommendations focused on households earning less than 120 percent of the area's median income (AMI). HouseATL committed to raising $500 million from local private and philanthropic resources, and another $500 million from local public resources.[19]

HouseATL's strategy for leveraging private and philanthropic resources calls for raising between $20 and $50 million annually from local social impact funds and other charitable organizations over a period of eight years. An additional $50 to $75 million in private capital will be raised from individual and corporate investors through the use of New Markets Tax Credits. Private sector investments in the production of affordable homes will also be facilitated through regulatory reforms to Atlanta's zoning and building codes. This will allow for greater innovation, cost savings, and increased production within the housing sector.

Case Study: Connecting Health and Housing in Portland

Key strategies learned in Portland:

- Leverage investments by local healthcare organizations to expand affordable housing.
- Prevent displacement to improve residents' health.

Five local healthcare organizations in Portland, Oregon, recognized the connection between housing and health and got together to do something about it. They donated $21.5 million to a nonprofit organization called Central City Concern (CCC). The organization was created decades ago by the city of Portland and Multnomah County to administer local grant money, since the Oregon Constitution prohibits cities from partnering directly with private organizations.

[16] Policy Link & City of Oakland, "A Roadmap Towards Equity: Housing Solutions for Oakland, California" https://www.policylink.org/sites/default/files/pl-report-oak-housing-070715.pdf, (2015).

[17] City of Oakland & Enterprise Community Partners, "Oakland at Home: Recommendations for Implementing A Roadmap Toward Equity..." http://www2.oaklandnet.com/w/OAK057411, (2016).

[18] City of Oakland & Enterprise Community Partners, "Oakland at Home Update: A Progress Report..." http://www2.oaklandnet.com/w/OAK057411, (2019).

[19] "Investing In an Affordable Atlanta" https://houseatl.org/recommendations/, 2019.

Other contributors, including the city, have given a total of $90.9 million to CCC's Housing is Health project. The money will fund three housing developments that will result in 379 units for residents with high medical needs and other residents who are either homeless or at risk of homelessness.

Creating these affordable housing units is intended to stop further trauma, like displacement, as it would make residents' recoveries and long-term health outcomes more difficult. Each of the three buildings is located in an area of the city identified as at risk of gentrification. The three buildings provide support services, such as recovery support and life skills training, and are designed to serve residents with particular needs. For example, the Eastside Health Center will provide affordable supportive housing units for people in recovery and respite housing, and a small number of units will be for palliative care. One building includes a federally-qualified health center.

2. LEVERAGING LOCAL LAND USE AND REGULATION

Case Study: Weathering Compromise in Seattle

Key strategies learned in Seattle:

- Plan for increasing densities.
- Include developers in the planning.
- Prepare for neighborhood push-back.

Seattle's population growth has been explosive. Estimates from 2009 for the Puget Sound region suggested that the area's total population would top 5 million by 2040, an increase of nearly 40 percent. In 2009, there was already substantial competition for a relatively limited supply of available and affordable homes. The increased competition for homes drove prices upward and exacerbated a persistently limited supply of income- and rent-restricted affordable homes.

Inclusionary zoning had been a priority for affordable housing advocates in Seattle for decades. But the politics around mandatory affordability requirements had stymied progress on the policy. Seattle's city council identified the need to build more affordable units in late 2014. Affordable housing advocates and community groups, and faith, labor and environmental organizations, agreed. The council began the process of reviewing proposals to impose mandatory linkage fees on every square foot of multifamily residential and commercial development citywide. The proposal excluded the 65 percent of the city zoned exclusively for detached single-family houses. As proposed, the linkage fee policy would require payments ranging from $5 to $22 per square foot developed. There was also an option for builders to set aside three to five percent of units built for affordable housing that would be accessible to households that earn up to 80 percent of the area's median income. In contrast to an earlier incentive-zoning effort, this proposed linkage fee did not include a provision for additional up-zoning capacity for developers.

Area developers opposed this plan with such force that Seattle city leaders enlisted the Housing Affordability and Livability Agenda (HALA) committee to help come up with a compromise.

HALA put together its leading recommendation in July 2015. The recommendation was for a policy of Mandatory Housing Affordability (MHA), a "both/and" approach to inclusionary zoning. The policy would, for the first time, require new multifamily and commercial development to contribute to affordable housing and increase development capacity wherever requirements were imposed. The program was designed to create 6,000 new rent- and income-restricted homes over a decade while allowing for the creation of more housing options to meet the growing need.

The program mandated that all new multi-family housing developments reserve between 5 and 11 percent of planned units as rent restricted housing for low-income families. The alternative was to contribute between $5 and $34.75 per square foot of development to the Seattle Office of Housing fund to build affordable housing.[20] MHA also changed zoning laws in 27 of Seattle's urban villages to allow for increased height and density of buildings for developers. In many ways, this was the more politically challenging aspect of the policy, given longstanding local pushback on efforts to increase zoning capacity in Seattle neighborhoods. Over the next four years, several rezone packages triggering MHA were passed for some of the fastest-growing urban center neighborhoods. In March 2019, "citywide" MHA implementation was signed into law.

[20] City of Seattle, "Implementing Mandatory Housing Affordability (MHA) Citywide" http://www.seattle.gov/Documents/Departments/HALA/Policy/MHA_Overview.pdf.

Case Study: Evolution of Neighborhoods in Charlotte

Key strategies learned in Charlotte:

- Use data in planning and decision making.
- Partner with private sector specialists.
- Anticipate that land use priorities are not static.

The overarching goal of Charlotte, North Carolina's, Housing Locational Policy (HLP) was to distribute affordable housing investments into more affluent communities to limit the concentration of poverty within distressed neighborhoods. In 2011, city leadership took the policy a step further, targeting the city's investments towards subsidized multi-family housing developments. The city started by conducting a comprehensive analysis of Charlotte's neighborhood statistical areas. The analysis identified neighborhoods as "permissible" or "non-permissible" areas for multi-family housing development. Over time, local housing conditions in Charlotte began to change for the better. The city's ability to locate and maintain affordable housing development also improved.

Within five years, market conditions had noticeably evolved. Under the existing HLP rules, many neighborhoods where affordable housing had occurred naturally became designated as non-permissible areas for new subsidized-housing development. Furthermore, many of the residents of these historically affordable neighborhoods were at risk of displacement. Based on community feedback and input from the city council, city leadership determined that the HLP should change course and focus on three goals:

1. First, the HLP should provide clear guidance for investments that create and preserve affordable and workforce housing in areas near employment, commercial centers, existing and proposed transit hubs, and the center city, and within gentrifying neighborhoods.
2. Second, the policy should support the city's revitalization efforts.
3. Third, the HLP[21] should promote diverse neighborhoods.

To meet these goals, city staff proposed "site scoring." The city's housing operations manager, along with the data-analytics team, used public data to power an online tool. The tool scored proposed development sites against four criteria:

1. Proximity to current and/or planned transit assets and amenities,
2. Income diversity,
3. Access to jobs within a reasonable distance, and
4. Level of neighborhood change or risk of displacement in historically lower-income neighborhoods.

Development sites were allocated a maximum of ten points in each scoring criteria and scored based on proximity to transit assets and amenities like grocery stores, medical facilities, schools, banks and parks. Full points were awarded to proposed sites within half a mile of transit or other designated amenities. Fractional points were awarded to sites at distances greater than a mile from transit or amenities. City councilmembers assessed site scores independently or in aggregate with higher scores, indicating greater alignment with HLP policy. The scoring methodology returned consistent and useful information, so the city approached its longstanding partner and a local software company, Esri, to automate its manual processes into an online geographic information system application.

Case Study: Rethinking Vacant Land in Peoria

Key strategies learned in Peoria:

- Leverage city-owned land for permanent affordability since it is an unmatched real estate development asset.
- Utilize land banks and land trusts since they contribute to permanent affordability.

Peoria's Southside neighborhoods are a microcosm of the city's housing market crisis. The historic area's commercial and residential buildings have deteriorated so much so that very little market demand exists. A typical single-family home sells for less than $20,000, making new construction impossible without deep subsidies. In addition, downward pricing pressures make renovation of older housing financially infeasible. With so many Southside homes lost to structural deterioration, and in some cases abandonment, the affordability and availability of the community's remaining housing stock has been negatively affected.

In response, Peoria's Community Development

[21] "City of Charlotte Affordable Housing Location Guidelines" https://charlottenc.gov/HNS/Housing/Strategy/Documents/Affordable%20Housing%20Location%20Guidelines_CouncilApproved_01.14.19.pdf, (Jan 16, 2019).

Department established a plan for city-owned vacant land. The plan emphasized three main strategies:

1. Land banking (breaking up lots for future sale),
2. Development, and
3. Side-lot transfer to interested adjacent owners.

Peoria leadership leveraged the land-banking program for city-owned parcels in neighborhoods with weak real estate markets and a high density of city property. In other neighborhoods, leadership made city-owned parcels available to developers if they could demonstrate verifiable plans, financing and familiarity with the development process. In most of these cases, subsidies, tax credits or in-kind donations from partners such as Habitat for Humanity facilitated development. Parcels suited for side-lot transfers typically had limited development potential and were offered to adjacent property owners with limited or no history of code violation or delinquency.

Through these and other steps, the city intends to divest itself of ownership of many vacant properties while facilitating a more equitable share of residential development within the capitalized Southside neighborhoods.

Case Study: Bozeman's ADU standardization

Key strategies learned in Bozeman:

- ADUs provide immediate density increases while maintaining the form of traditional single-family neighborhoods.
- ADUs offer greatly decreased cost per unit.

A strong local job market, in part, has driven Bozeman's recent housing challenges. In recent years, the city has boomed with 11,000 new jobs and now has an unemployment rate of 2.5 percent.[22] With nearly all of Bozeman's local workforce employed, local employers have been forced to look outside the city for skilled workers to fill the open positions. The influx of new residents and job seekers has strained Bozeman's limited housing supply.

The city recently conducted a Community Housing Needs Assessment. It concluded that the city needed an additional 1,460 housing units to catch up to current demand, and as many as 6,340 new units by 2023. But Bozeman would need a range of housing units including both rental and for-sale homes for families, employees filling vacant and newly created jobs, and retirees. To help ensure affordability, at least 60 percent of the new housing supply would need to be subsidized.

Early on, city leaders recognized that making a wider and more diverse selection of housing types available could ease Bozeman's tight housing markets. It would also have a positive impact on affordability. Residential developments with a greater density of smaller, less-expensive homes, featuring innovative design rose, to the top of the list.

Bozeman's Unified Development Code (UDC) had recently changed, making accessory dwelling units (ADUs), and duplexes easier for homeowners to utilize. The city's planning division worked with a group of college students from Montana State University's College of Architecture in late 2018 to promote the use of ADUs to property owners. Students worked with city planners to ensure that designs were code compliant. They also addressed issues related to parking requirements and fitting designs into the 600 square-foot ADU size limit.[23] The students presented their final ADU designs to homeowners and the City Commission. Designs received official agency review by the Chief Building Official for UDC and building code compliance. City officials hope that designs will serve as a model for wider community use.

In a separate effort to address housing affordability, Bozeman partnered with the Trust for Public Land on the Bridger View Redevelopment Project (BVR) to create a dense community of more than 60 modest, well-designed homes on an eight-acre parcel in northeast Bozeman. Homes had one to three bedrooms, ranged in size from 800 to 1500 square feet, and were clustered in layouts that emphasized shared common spaces and outdoor living. More than half of the homes cost between $175K and $250K.[24] These prices were well below the city's median sale price of approximately $375K.[25] Revenue from the sale of market-rate units subsidized the sale of the below-market value units. To increase the feasibility of the project, the city split the cost of infrastructure and impact fees for the project.

[22] Wendy Sullivan & Christine Walker, Bozeman, Montana Community Housing Needs Assessment. City of Bozeman, 2019. https://www.bozeman.net/home/showdocument?id=8773.

[23] Policy Link & City of Oakland, "A Roadmap Towards Equity: Housing Solutions for Oakland, California" https://www.policylink.org/sites/default/files/pl-report-oak-housing-070715.pdf, (2015).

[24] City of Oakland & Enterprise Community Partners, "Oakland at Home: Recommendations for Implementing A Roadmap Toward Equity..." http://www2.oaklandnet.com/w/OAK057411, (2016).

[25] City of Oakland & Enterprise Community Partners, "Oakland at Home Update: A Progress Report..." http://www2.oaklandnet.com/w/OAK057411, (2019).

Case Study: Envisioning a New Future in Minneapolis and single family zoning elimination

Key strategies learned in Minneapolis

- Confronting historic patterns of housing inequity should be a significant local priority.
- Aggressive and creative community engagement is essential to a positive outcome.

Minneapolis has set ambitious goals for improving the city's focus on housing affordability and choice, as well as racial equity and climate change. The plan, called Minneapolis 2040, reflects two years of public feedback which includes voices from historically underrepresented groups.[26, 27] New provisions for up-zoning (expanding residential zoning to more dense use) will allow duplexes and triplexes to be built in all residential areas (formerly R-1) and thus allow denser development, particularly connected to transit zones. Other policy innovations include data-focused research to guide and evaluate housing priorities. These policy changes also support different housing types, like prefabricated and manufactured housing, ADUs and tiny houses.[28]

A variety of local *Yes in My Backyard* (YIMBY) activist groups and city officials have contributed to the success of these fledging efforts. Conversations about the history of discriminatory housing practices perpetuated by single-family zoning (about 50-60 percent of Minneapolis is zoned for single-family homes), as well as the need for "missing middle" type homes,[29] influenced change. Housing advocates and city leaders organized Housing advocates and city leaders organized walk-and-talk tours in every ward, inviting residents to explore their communities while envisioning a better future.[30] Street fairs and neighborhood events engaged residents rather than traditional neighborhood meetings.[31]

This extensive community outreach effort is intended to minimize the potential disruptions within the city's neighborhoods.

[26] https://minneapolis2040.com/overview/
[27] https://minneapolis2040.com/planning-process/
[28] https://minneapolis2040.com/topics/housing/
[29] https://www.nytimes.com/2018/12/13/us/minneapolis-single-family-zoning.html
[30] https://www.curbed.com/2019/1/9/18175780/minneapolis-2040-real-estate-rent-development-zoning
[31] ^

Case Study: Making Boise Work for All Residents

Key strategies learned in Boise:

- Addressing housing affordability for residents all incomes requires embracing denser, more walkable neighborhoods and housing of all types.
- It's imperative to secure financial commitments from the public and private sector.

Boise is the most populated city in Idaho and, with a three percent growth rate in 2017, is among the fastest growing areas in the U.S. But despite strong job growth, close to half of renters in Boise are considered "cost-burdened," spending more than 30 percent of their income on housing. The city estimates needing 1,000 new housing units annually for the next 20 years.

To meet this challenge, the city's Grow Our Housing initiative embraces dense, walkable neighborhoods, access to housing at all income levels, and financial commitments from both the public and private sectors. The initiative seeks to:

- Create new mixed-use and other urban zones that emphasize higher residential densities,
- Reduce minimum lot size and increase maximum density in most common residential zones,
- Grant density bonuses for small footprint housing developments (with homes of less than 700 square feet),
- Increase allowances for ADUs including two-bedroom units,
- Expand incentives to developers who build housing for residents at 80 percent or below the area's median income, and
- Create a land trust to conserve affordable housing financed by public and private dollars.

Despite the clear direction and commitment of local leadership, Boise faces significant challenges, including anti-growth groups that advocate for slower change. In addition, state government prohibits the city from making use of inclusionary zoning or issuing a voter-approved tax levy for the expansion of local bus services linking residents to jobs in the area.

Case Study: Greensboro's Safe Homes for Kids with Asthma

Key strategies learned in Greensboro:

- Both small and large interventions can improve community health.
- Community partners can bring significant capacity to help cities achieve their health goals.

The Greensboro Housing Coalition has worked with the Kresge Foundation on its Advancing Safe and Healthy Homes for Children and Families Initiative (ASHHI) to improve rental housing conditions in the city since 2012. The coalition's "Removing Asthma Triggers and Improving Children's Health" project involved working with partners at the University of North Carolina at Greensboro, Triad Healthcare Network and Cone Health to improve housing conditions in the homes of 41 pediatric asthma patients between 2013 and 2015.

As a "demonstration project" — one intended to promote innovation and serve as a basis for analysis — the work included home interventions such as repairing leaks and improving ventilation. These interventions led to patients sleeping better, having an easier time working at school and home, using their asthma medications less, and needing fewer medical visits. Households that received follow-up visits showed a 50 percent reduction in hospital bills.

Since the ASHHI project, the Greensboro Housing Coalition has taken an even broader approach to asthma prevention. Now, leadership looks beyond the physical home environment to neighborhoods most impacted by asthma, like Cottage Grove, which was built on the site of the old city dump. Collaborative Cottage Grove is a grassroots effort that seeks to improve housing and neighborhood conditions by working with the community and local leaders to prioritize initiatives that promote better health.

Case Study: Reshaping More than Milwaukee's Skyline

Key strategies learned in Milwaukee:

- Focusing on people at risk of displacement helps preserve community stability.
- This focus can become the key to further investment, both commercial and residential.

Downtown Milwaukee has undergone a nearly decade-long construction boom that has reshaped its skyline. Some estimate that the boom has enabled Milwaukee's builders to boost the local housing supply with nearly 12,000 new units of market-rate housing. But, the trend in prosperity belied challenges in nearby neighborhoods. These communities suffered from lingering issues of vacancy and abandonment as well as rising foreclosures and evictions. They also faced a severe shortage of affordable housing units for low income families. In fact, Milwaukee has one of the worst shortages of affordable housing in America. Only 25 affordable housing units are available in the city for every 100 extremely low-income households.[32] In a key finding from Milwaukee's 2018 Anti-Displacement Plan (ADP), the Department of City Development noted that the City's ability to preserve and protect housing choices for its low-income families at risk for displacement, would require production of new affordable housing units.[33]

In response, Mayor Tom Barrett announced his 10,000 Homes Initiative. The goal is to build or improve 10,000 housing units over ten years in neighborhoods throughout the city. The 10,000 Homes Initiative will rely on funding from developer-financed tax-incremental districts — an economic development tool infrequently used to fund residential development.

In early 2019, city leaders drafted guidelines governing the use of tax increment financing (TIF) assistance for multi-family residential developments. The new TIF-assistance guidelines prioritized residential development projects in three types of neighborhoods: those at risk for displacement, those where robust market-rate housing development has exponentially outpaced affordable housing development, and those that lack current affordable housing options.

In order to be eligible for TIF assistance, a proposed building or improvement project must have at least 20 percent of its proposed units at prices affordable to households earning 60 percent or less of the AMI and 25 percent of units must be affordable to households earning 50 percent of the AMI. All projects were required to yield a minimum of 20 affordable housing units that will remain affordable for at least 15 years.

[32] Nusser, Susan. "Can Milwaukee Really Create 10,000 Affordable Homes?" CityLab. https://www.citylab.com/equity/2018/10/can-milwaukee-really-create-10000-affordable-homes/570742/.

[33] Department of City Development, A Place in the Neighborhood. City of Milwaukee, 2018. https://city.milwaukee.gov/ImageLibrary/Groups/cityDCD/planning/plans/AntiDisplacement/Anti-DisplacementPlan.pdf.

3. COMPREHENSIVE PLANNING

Case Study: Redefining "Affordability" in Rochester

Key strategies learned in Rochester:

- AMI is a straight-forward HUD metric.
- City policy makers and developers must use it effectively to address the needs of residents in specific neighborhoods.

According to HUD, the AMI in the Rochester Metropolitan Statistical Area for a family of four is $74,000. The area median income in the city of Rochester alone is half as much. Previously, housing that was affordable for a family earning $88,800 was considered affordable, even though it was not at all affordable to the one-third of Rochester's cost-burdened families that spend more than half of their income on housing.

City leaders redefined the term "affordability" using the HUD guidelines. The idea was to do a better job creating, preserving and restoring housing to fit the income needs of Rochester residents and safeguard the definition of affordability in the city's charter. Now, to encourage the development of more affordable housing units, the city awards more support to development proposals that include plans for some units to be 50 percent AMI and below.

Under the new charter provisions, low and moderate income will be categorized as follows:

- Extremely low or less than or equal to 30 percent AMI.
- Very low, or more than 30 percent and less than or equal to 50 percent AMI.
- Low, or more than 50 percent and less than or equal to 80 percent AMI.
- Moderate, or more than 80 percent and less than or equal to 120 percent AMI.

Case Study: Closing the Affordability Gap in Boston

Key strategies learned in Boston:

- Steady, long-term attention to housing affordability and securing buy-in from constituents for targeted housing goals.

Boston is part of Suffolk County, which has one of the most narrow housing affordability gaps in the U.S.[34] But, housing affordability is still pressured by the city's growing population. In the recent past, Boston projected a population growth of 91,806. Now, the city expects 142,133 more residents by 2030.[35] Mayor Martin Walsh and his administration are focusing on housing disparity and increasing housing stock by implementing the Housing Boston 2030 Plan (HB30).[36] The plan sets goals for housing production, including income-restricted housing designed to be affordable to a range of incomes. It also includes plans for strategic growth that increases homeownership, promotes fair and equitable access to housing and preserves and enhances existing neighborhoods to prevent displacement.

In 2018, the updated Housing Boston 2030 plan increased the city's overall housing target from 53,000 to 69,000 new units, including 15,820 income-restricted units by 2030.

Bostonians are supportive of affordable housing creation. Voters passed the Community Preservation Act in 2016 which would create a Community Preservation Fund financed by a one-percent property tax-based surcharge on residential and business property tax.[37] The revenue will fund initiatives in affordable housing creation, historic preservation and maintenance of open space for public recreation.

Case Study: Resilience in San Antonio

Key strategies learned in San Antonio:

- Environmental factors frequently create added costs for occupants of low-income housing when it comes to utilities, maintenance and even health costs.

[34] The Urban Institute, "The Housing Affordability Gap for Extremely Low-Income Renters in 2013."
[35] "2018 update on Housing Boston 2030", found on Boston.Gov.
[36] "Mayor Walsh releases "Housing a Changing City: Boston 2030,"" https://www.cityofboston.gov.
[37] "Community Preservation Act," https://www.boston.gov/community-preservation-act.

- Local climate change impacts exacerbate existing problems.
- Efforts to improve sustainability in housing saves residents money and improves quality of life for the whole community.

Housing affordability is about more than the list price of a home. San Antonio, for example, is one of the fastest growing large cities in the United States. The region's rapid economic and population growth has caused local housing costs to increase faster than AMI for nearly two decades.[38] For residents, that means homes are increasingly difficult to afford. And there are other associated rising costs, like utilities, maintenance and even healthcare.

San Antonio has always been hot, but climate change has caused temperatures to spike. In recent years, the city's development boom has generated a growing urban heat island.[39] At night, the central urban core can be up to 20 degrees warmer than rural areas in the northern part of Bexar County.[40] These higher temperatures reduce air quality as the sunlight and heat react with pollutants to generate ground level ozone, exacerbating dangerous smog.

The city has taken a holistic approach through San Antonio Green and Healthy Homes programs, which "provide assistance to owners and landlords of residential properties (both single-family and multi-family) in creating healthy, safe, energy-efficient and sustainable homes for families and children."

One of the flagship initiatives is the Under 1 Roof program. Launched as a pilot in 2016 with just $200,000, and serving just ten families, the program identified and replaced failing roofs with free, energy-efficient "high-reflectance roofs." These "cool roofs" helped address a range of health, energy and environmental issues.[41]

In fiscal year 2018, San Antonio's city council approved a $2.25 million budget to expand Under 1 Roof to include five other districts. At the time, Councilman Roberto Triveño noted that, "What started out as a District 1 pilot program with a sliver of funding has grown into a multi-million-dollar program that assists folks across the city and helps combat rising urban temperatures while saving residents money." The program, he said, saves participating homeowners an average of $1,200 per year in energy costs.

In addition, the city's municipal utility (CPS Energy), developed a cool-roof rebate program to incentivize other residents to install new roofs with high-reflectance materials. Programs like this can dramatically extend the lifespan of a city's affordable housing stock, and help reduce the need for demolition.

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[38] The City of San Antonio, "Housing Policy Framework." August 2018. https://www.sanantonio.gov/Portals/0/Files/HousingPolicy/Resources/SA-HousingPolicyFramework.pdf.

[39] Gibbons, Brendan. "Climate Change Will Make Life Hotter, Harder in San Antonio." San Antonio News Express. https://www.expressnews.com/news/local/article/Climate-change-will-make-life-hotter-harder-in-12221130.php.

[40] Huddleston, Scott. "Heat Map of San Antonio Conveys What's at Stake in Climate Plan." San Antonio News Express. https://www.expressnews.com/news/local/article/Heat-map-of-San-Antonio-conveys-what-s-at-stake-13414579.php.

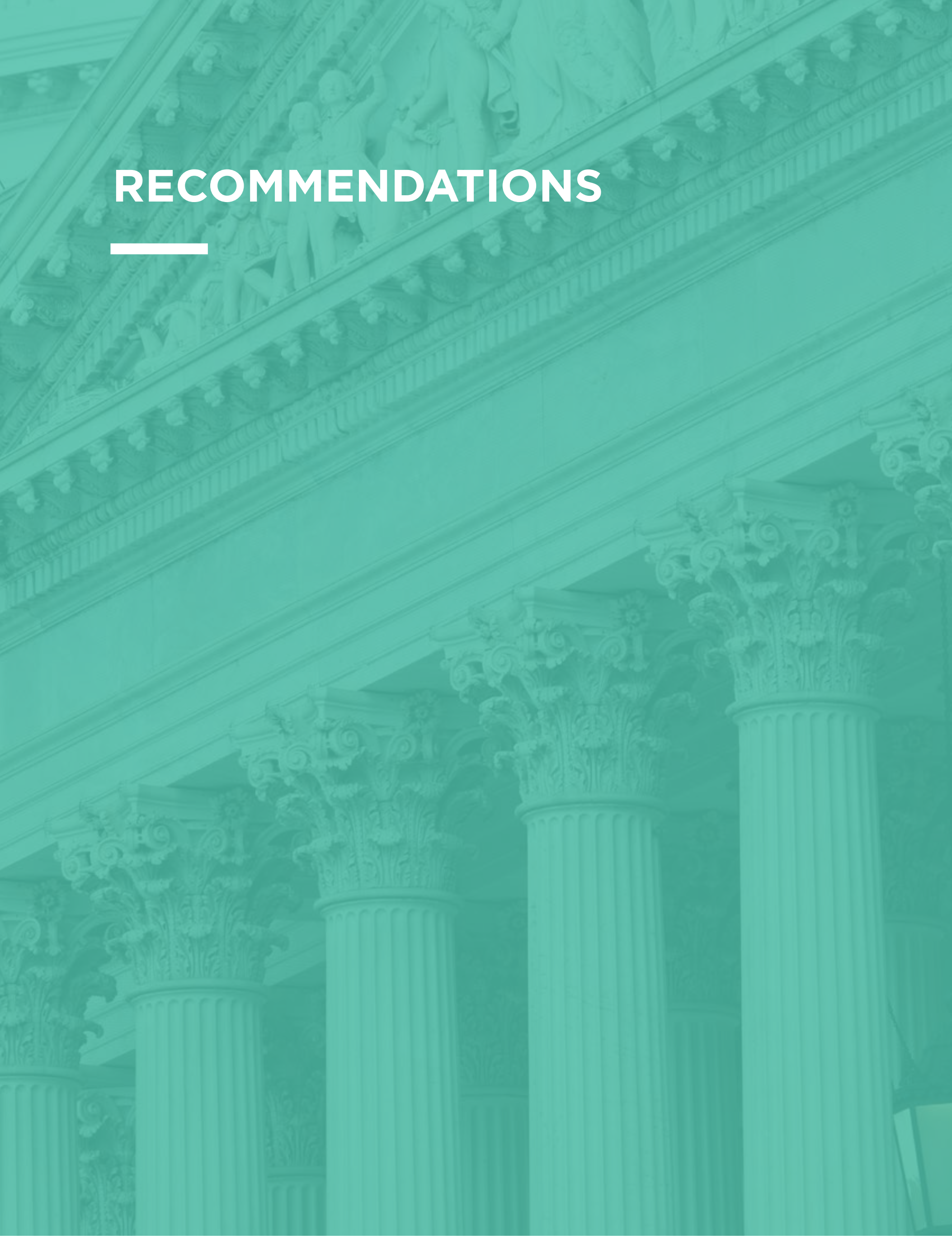
[41] Trevino, Robert. "City By Design." https://citybydesign.org/.

REFLECTIONS ON THE CASE STUDIES

These examples show us that cities need holistic, integrated housing strategies to improve housing affordability. Strategies must connect opportunities for employment and new business creation with land-use decisions. They must also have focus on two critical factors: making a variety of dwellings available to meet the needs of diverse groups of residents and ensuring access to transportation options so residents can get to work and meet other needs like health care, shopping and recreation.

City leaders must explore key questions, including:

1. What are my city's local housing goals and does the comprehensive plan reflect those goals?
2. What are the economic conditions of my city's local housing market?
3. What are the regulatory conditions of the local housing market for development and redevelopment (zoning, permitting, fees)?
4. What policy tools and options are available to cities in my state to address these conditions to improve quality and affordability?
5. What is the local political environment for decision making on housing?
6. Do residents understand the trade-offs in land use decisions that come from a restricted housing supply on matters like taxes, job growth, investment attraction?
7. How do city leaders confront and push-back against NIMBYism (The "Not in my backyard" phenomenon where residents don't want affordable housing in their neighborhoods) in housing decisions?
8. How can good decisions that increase housing quality across a range of housing choices be accomplished for the benefit of existing residents without the collateral damage of displacement?



RECOMMENDATIONS

Federal Policy Agenda

National polls overwhelming support greater federal investment in housing. The vast majority of the public (85 percent) believes that ensuring all residents have safe, decent, affordable homes should be a "top national priority."[42] This view is strong across the political spectrum: 95 percent of Democrats agree it should be a top national priority, along with 87 percent of unaffiliated voters and 73 percent of Republicans. Eight in ten voters also say that both the president and Congress should "take major action" to make housing more affordable for low-income households.

Local elected officials overwhelmingly support greater federal investment in housing, and recognize that housing is extremely costly for working families. Those leaders are also making changes to reduce the wealth and housing affordability gap. According to NLC's 2019 State of the Cities report, local governments are taking bold action to improve housing stability and affordability through land and housing trusts, eviction assistance resources and fair housing ordinances.

As noted by the task force chair, Washington, D.C., Mayor Muriel Bowser, in D.C., "affordable housing isn't just a problem for our most vulnerable residents — it affects our entire community."

NLC Calls on the federal government to enact housing legislation that:

1. **Immediately stabilizes and stems the loss of public and affordable housing.**

Historic unmet demand for units of affordable and workforce housing has created a national housing crisis. Emergency or supplemental appropriations are an appropriate and necessary federal response to quickly intervene in the immediate crisis of housing supply.

- **Approve emergency funding to address the nation's highest priority housing needs.** Funding could take the form of a stand-alone emergency bill, or as a piece of any larger infrastructure package.
- **Emergency funding should include $30 billion to address the immediate crisis.** Of that amount, $15 billion for the public housing capital program, $5 billion for the Community Development Block Grant program, $5 billion for the HOME program and $5 billion for the National Housing Trust Fund.

[42] National Housing Survey, HART RESEARCH ASSOCIATES, Study #12590, February/March 2019.

2. Authorizes ten years of new programs and funding to provide housing opportunities for all.

Now is the time to rethink and modernize housing policy at every level of government. Although cities value current HUD programs, it's clear that existing resources are insufficient to stem the growth of the affordable housing crisis.

- **Reauthorize and restore the HOME Investment Partnership Program and the Community Development Block Grant Program.** The HOME program is the only federal grant program aimed at construction of affordable housing in support of local governments. Unfortunately, funding cuts have significantly reduced the impact of the program which, today, serves mostly to cover gaps in financing of tax-credit housing projects. HOME should be reauthorized to support the construction of small and medium multifamily units that create greater housing options for multiple income levels. The CDBG program, the largest single federal grant program available to local governments, is bloated with regulatory and reporting requirements and is ripe for review to increase efficiencies and reduce burdens on grantees.

- **Increase funding for the National Housing Trust Fund and authorize a pilot allocation to regional councils of government.** The pilot would determine if lessons learned from regional allocations from the Highway Trust Fund can be applied to the National Housing Trust Fund. It would also foster the blending of federal funding for construction of affordable housing and transportation infrastructure.

- **Commit to a new vision for public housing and public housing agencies as the nation's stewards of permanently-affordable housing.** Public housing is the nation's largest source of permanently-affordable housing. More than 3,000 large and small public-housing agencies assist families and individuals at the bottom rung of the economic ladder by providing housing stability. A well-maintained stock of permanently-affordable housing would help cities manage swings in the housing market and weather economic downturns.

- **Protect and improve underserved and affordable housing and homeownership requirements on the private market.** The policies adopted by mortgage finance giants Fannie Mae and Freddie Mac shape neighborhoods and economic opportunity. Federal regulatory requirements should recognize and leverage these forces which have the power to improve access to affordable and workforce housing. That includes regular allocations to the National Housing Trust Fund and products that support the market for construction of workforce housing and small-dollar mortgage loans.

3. Support innovation and modernization of land-use and planning practices at the local and regional level.

Cities, towns and villages across the U.S. are already reevaluating local land use and planning practices to make them more equitable and to address past discriminatory practices. These municipalities are also already working to establish codes that reflect a need for resilience in the face of extreme-weather events. Different approaches may make higher-opportunity neighborhoods more — or less — accessible, but the impacts are not always clear.

Moreover, inequities exist regionally between the cities, towns and villages just as they exist between neighborhoods.

- **Provide federal grants for local housing, planning, land use and community engagement.** The cost of developing and administrating changes to local land-use policies and practices puts quick action out of reach for many, if not most, of the 19,000 cities, towns and villages in the U.S. Federal funding and technical assistance would speed the development and adoption of best practices among local governments.

- **Offer renter tax credit.** A federal tax credit for renters, which does not currently exist, would expand the availability of federal rental assistance in the form of a refundable tax credit targeted to lower-income, rent-burdened households. A new balance of renter-tax credits and direct subsidies has the potential to improve equity and economic mobility opportunities at the local level.

- **Increase funding, landlord incentives and mobility for HUD's Choice Voucher Program.** Given the fundamental importance of housing stability for nearly every measure of well-being for residents, it is unreasonable to place arbitrary funding limits on the HUD Choice Voucher Program and administer housing assistance as a lottery. Rather, in conjunction with a well-regulated housing market, federal housing assistance should meet the demand for housing for all. Short of that, the federal government should increase funding annually by significant and predictable margins until the lottery aspect of the program is nullified.

- **Fix the market for small-dollar mortgage lending and entry level homeownership.** Recent research from the Urban Institute has shown that, even for credit-worthy borrowers, financial institutions are generally not approving small-dollar mortgages. As a result, three quarters of homes purchased for $70,000 or less in 2015 were purchased with cash, indicating risky property speculation. The unavailability of small-dollar mortgages puts housing out of reach for homebuyers at lower-incomes, and revitalization out of reach for communities in distress.

4. Fix inequities in housing development and the housing finance system.

The long history of federally-sanctioned housing discrimination and racial segregation is embedded in the development of America's cities, towns and villages. This legacy continues to have profound impacts on people of color and other vulnerable groups to this day. According to Brookings, on average in metropolitan areas, homes in neighborhoods that are 50 percent black are valued at roughly half the price of homes in neighborhoods without black residents.

It is incumbent upon all elected officials to understand how the present housing inequities came about. It is also their responsibility to make fully-informed policy choices that stop the perpetuation of these inequities, unintentionally or otherwise.

- **Reform of the Community Reinvestment Act (CRA) to increase public accountability of banks to serve every community.** CRA assessment areas need to be updated to include areas with considerable bank lending and deposit gathering outside of bank branch networks. This would result in more loans and investments reaching low and moderate income (LMI) borrowers and communities. Regulators should also improve public data around community development lending and investments in order to provide greater clarity to lenders about what qualifies for CRA and to help identify areas around the country in need of greater community development lending and investing. Conversely, federal regulators should not adopt a one-ratio or single-metric approach to CRA exams, and should not adjust bank asset thresholds solely for making exams easier for banks to pass, or otherwise dilute attention to LMI borrowers and communities.

- **Eviction prevention and mitigation grants.** In 2016, 2.3 million eviction filings were made in U.S. courthouses — a rate of four every minute. That same year, one in 50 renters was evicted from his or her home. The federal government should partner with local governments and other stakeholders to help residents overcome events that place them at risk of eviction.

- **Expand Fair Housing to include sexual orientation, gender identity, marital status and source of income.** A growing number of local governments are enacting fair housing protections beyond those required by federal statute to ensure housing opportunities for every resident. Unfortunately, various state preemptions of local authority over land use and protected classes has created an uneven and inequitable marketplace for housing across the country. The federal government should level the field by expanding fair-housing protections.

- **Targeted investment and access to credit for neighborhoods and residents impacted by redlining and reverse-redlining.** As documented by the Economic Policy Institute, the Federal government's general failure to intervene in discriminatory mortgage lending practices is one of the root causes of racially segregated, impoverished neighborhoods. For such communities, to overcome decades of unfair treatment, new targeted federal resources should be enacted to restore housing stability and rates of homeownership. This would also serve to stabilize impacted neighborhoods overall.

- **Fair housing and anti-displacement in federally-designated opportunity zones.** NLC's 2018 City Fiscal Conditions survey indicates that local tax revenue growth is experiencing a year-over-year slowdown, as it is outpaced by growth in service costs and other expenditures. For cities and city leaders, opportunity zones represent a chance to overcome such slowdowns and associated neighborhood decline, in new and innovative ways. Within opportunity zones, private investment supplements public spending to advance public policy goals. It follows that public and private investment within Opportunity Zones should be in alignment according to key performance measures of fair housing and equitable economic development.

5. Supports scalable innovation and financing for cities, towns, and villages.

Every U.S. city, town and village relies on strong regional partnerships with HUD and the United States Department of Agriculture (USDA) for capacity building and access to capital to better serve the housing needs of their residents. The federal government is often the only feasible source of technical assistance and access to capital for the 20

percent of the U.S. population that lives in small and rural communities.

The Housing Assistance Council, in Congressional testimony, put it best: "Rural housing markets are not just smaller versions of urban ones, and [federal housing programs] do not necessarily translate to the benefit of rural places. The few programs and modest federal spending on rural-specific programs are simply not enough to maintain a level playing field with other parts of the country."

- **Increase funding for USDA rural-rental programs and improve alignment with HUD rental-assistance programs.** For many rural communities, housing instability and unavailability are compounding broader economic crises that have been decades in the making. These situations require a variety of approaches to overcome. At the same time, economic recovery cannot begin without housing stability.

- **Increase coordination between public housing agencies regionally.** The number of affordable housing units administered by Small Public Housing Agencies may be small compared to large PHAs, but there is nothing more important to the community. In addition to housing, small PHAs often serve as a hub for residents to access a far broader range of support services. More capacity building and technical assistance for small PHAs is necessary so that they can coordinate regionally and connect service providers across jurisdictional boundaries.

- **Offer federal assistance to rural homebuyers.** Homebuyers in small and rural communities often face challenges similar to impoverished urban neighborhoods, like inadequate access to mortgage credit, aging and declining housing stock and higher costs for housing construction and rehabilitation. Federal-homebuyer assistance should be available and flexible for use in both urban and rural communities.

SUMMARY OF RECOMMENDATIONS FOR LOCAL ACTIONS

Establish local programs by combining funding and financing streams to support housing goals. Among the means available to most cities are:

- Housing trust funds,
- First-time home buyer supports,
- Housing rehabilitation and preservation grants or loans and
- Tax incentives.

Modernize local land use policies, including zoning and permitting, to rebalance housing supply and demand. Focus on:

- Data management to set development priorities;
- Increased density allowances and ADUs;
- Land trusts, banks; and
- Streamlined development permitting, transparent fees and time-limited review procedures.

Identify and engage broadly with local stakeholders; and coordinate across municipal boundaries, to develop a plan to provide housing opportunities for all. To that end, utilize:

- Data to understand the local housing market conditions,
- Partnerships with private- and non-profit sector actors,
- Development of a comprehensive housing strategy based on a set of community-wide values that also identifies the consequences that may accrue when making choices among competing values.

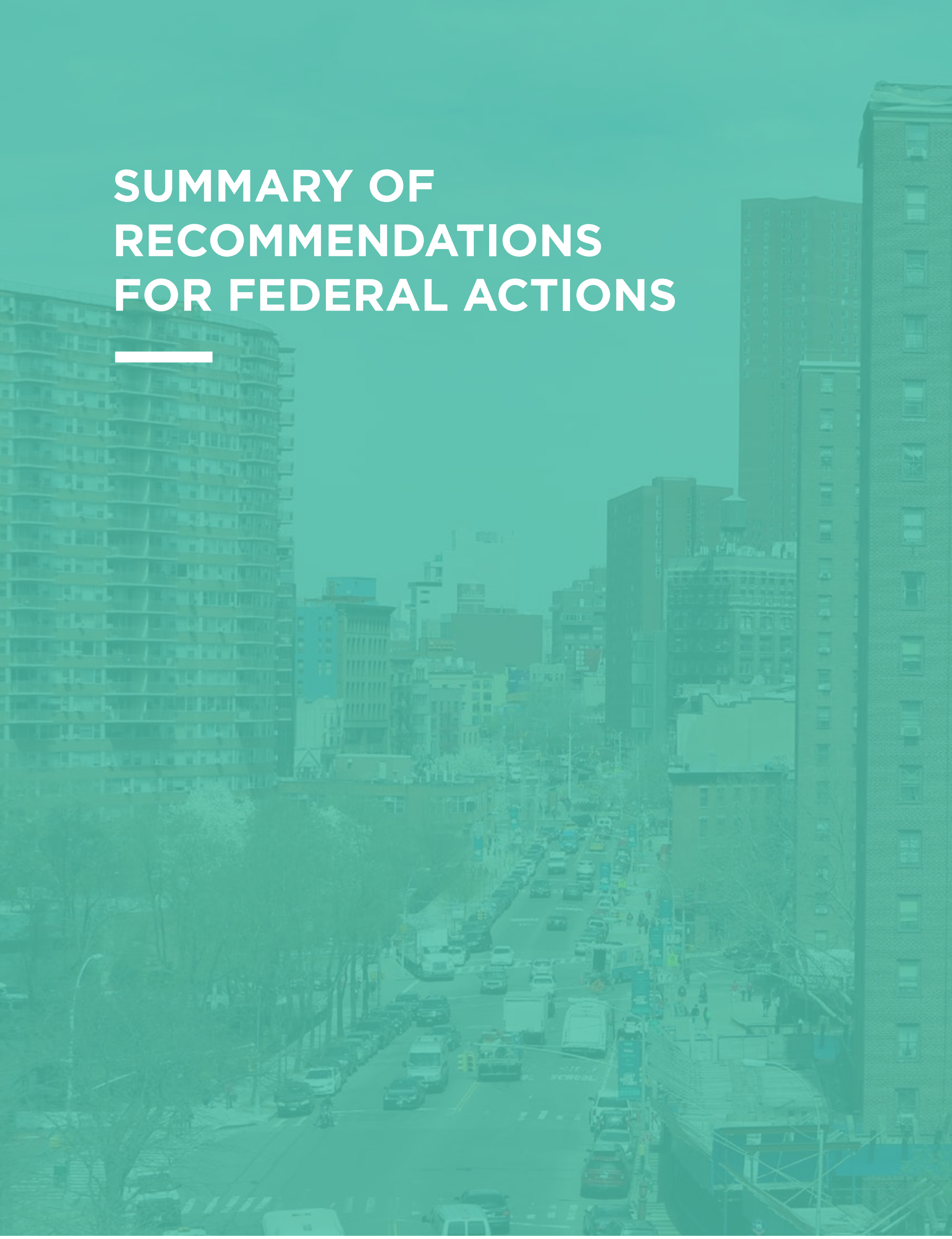
Support the needs of distinct sub-populations including the homeless, seniors and persons with conviction histories. Cities should:

- Look to the success stories on fighting chronic homelessness,
- Prioritize specific sub-populations,
- Target wrap-around support services and
- Maintain existing affordable housing stock and support rehabilitation efforts, reduce or eliminate restrictions on access to public housing that go beyond federal mandates for those with conviction histories.

Prioritize equitable outcomes in housing decision as it is an essential component for success. This means:

- Ensuring enforcement of Fair Housing laws,
- Putting decision making about public investments in the hands of communities most at risk for displacement and
- Rebuilding trust between local government and communities of color.

SUMMARY OF RECOMMENDATIONS FOR FEDERAL ACTIONS



Immediately stabilize and stem the loss of public and affordable housing.

- Historic unmet demand for units of affordable and workforce housing has created a national housing crisis.
- Emergency or supplemental appropriations are an appropriate and necessary federal response to quickly intervene in the immediate crisis of housing supply.
- Crisis-response funding should include at least $15 billion for the public housing capital program, $5 billion for the CDBG program, $5 billion for the HOME program, and $5 billion for the National Housing Trust Fund.

Follow emergency intervention with passage of a long-term, stand-alone federal housing bill that authorizes ten years of new funding for pilot programs that advance housing for all.

- The housing crisis, and ongoing housing inequities, have been decades in the making; long-term corrective action is necessary for success.
- Long-term stand-alone housing bills could transform housing in America, just as the highway bill has done for transportation and the farm bill has done for nutrition and health.
- Program objectives should include capacity building for local governments, regional coordination across jurisdictional bounds, support for permanently affordable housing, and achievement bonuses for existing programs like CDBG.

Support innovation and modernization of land-use and planning at the local and regional level.

- Local leaders recognize that change is necessary to create housing opportunities for all, but local budget and capacity constraints put quick action out of reach for many of the 19,000 cities, towns, and villages across the U.S.
- Federal grants to support modernization of local housing, planning, land use, and community and regional engagement would speed adoption of best practices among local governments
- Innovations that could foster additional change include rental voucher mobility, affordable and small-dollar mortgages

for first-time homebuyers, and support for small multi-family units that can fill multiple needs in different housing markets.

Fix inequities in housing development and the housing finance system.

- Government failures to intervene in discriminatory mortgage lending practices, including redlining and predatory lending, is a root cause of racially-segregated, impoverished neighborhoods today.
- Federal resources should be enacted to restore housing stability and rates of homeownership for historically segregated and disadvantaged communities and their residents.
- Federal fair housing protections should be extended to include sexual orientation, gender identity, marital status and source of income.

Support scalable innovation and financing for cities, towns and villages.

- Increase funding for USDA rural rental programs and improve alignment with HUD rental assistance programs.
- Increase coordination between public housing agencies regionally.
- Maintain federal support for first-time homebuyers in cities, towns, and villages of every size and circumstance.

“Government failures to intervene in discriminatory mortgage lending practices, including redlining and predatory lending, is a root cause of racially-segregated, impoverished neighborhoods today.

CONCLUSION

While a wide variety of housing challenges faces American cities, two stand out. In fast-growing cities, wages lag behind housing costs, leading to a scarcity of affordable housing. In legacy cities with slower growth, a persistent high rate of vacant and blighted housing exists due to the ongoing after-effects of the foreclosure crisis and general economic disruption.

As part of NLC's path forward, we will continue to do research, focus on education, provide technical assistance and capacity building, push for advocacy goals that benefit all communities, and bring stakeholders together.

NLC's research will:

- Continue to share quantitative and qualitative data on housing quality and affordability;
- Dive more deeply into urban-rural, small and legacy city questions including the integration of housing strategies with economic growth initiatives;
- Seek partnerships with the Urban Institute and the New York University Furman Center (among others) to advance mutual research priorities;
- Identify tested as well as promising practices that increase affordable housing and
- Further investigate the emerging intersection between climate resilience and housing affordability.

NLC's focus on education will:

- Lift up the lessons from cities captured by the task force and by countless other cities, towns, and villages that are implementing both tested and innovative techniques to address community housing needs;
- Make use of NLC's many constituency and member groups and partners to engage local stakeholders and
- Enhance the leadership training and skills building programs available through NLC University.

NLC will continue its technical assistance and capacity building work to coordinate technical assistance efforts across the organization including those targeting:

- Homeless veterans,
- Seniors seeking to age in place,
- Equitable wealth creation,
- Shared equity housing models,
- Sustainable and healthy housing and
- Our Cities of Opportunity: Healthy People, Thriving Communities pilot program.

NLC will continue advocacy work to:

- Advance a strong voice at the federal level to push for implementation of recommendations contained in this report and
- Exercise leadership in coalitions including Opportunity Starts at Home and Mayors & CEO's for U.S. Housing Investment, among others.

City leaders are working to make a difference but all city residents, and all levels of government, have more to do. This report and the subsequent work to come are meant to provide a resource for city leaders, a platform for community conversation, and an action plan for solutions.

Appendix A: Summary of the Task Force Work

NLC's President Karen Freeman-Wilson, mayor of Gary, Ind., announced the formation of the National Housing Task Force in November 2018, under the leadership of chair Muriel Bowser, mayor of Washington, D.C.

"Every American deserves a place to call home. But in cities across the country, serious shortages of adequate housing means that too many residents don't have the security of a stable home," said Freeman-Wilson at the time of the task force's formation.

Local leaders are on the front lines of ensuring that residents have safe, affordable housing. Through the formation of this task force, NLC sought to leverage its members' collective experience to help solve this urgent challenge. Comprised of 18 other elected city leaders representing a diversity of city sizes, geography, roles in their respective regions and market types – plus the executive directors of two state municipal leagues (California and Michigan) – the task force was charged to develop a set of best and promising practices at the local level, as well as policy recommendations to federal and state governments.

Reflecting on her own city, Mayor Bowser said, "The affordable housing crisis is one of the most critical issues we are facing in this country, and one on which we are effectively working to tackle in Washington, D.C. From investing hundreds of millions of dollars for affordable units in new developments to building creative livings spaces like grand-family housing for seniors raising their grandchildren, we know that mayors will lead the way in providing innovative solutions."

The task force kicked off with an introductory call on December 19, 2018, but the work began in earnest with their first in-person convening January 22-23, 2019 in Washington, DC. At that meeting the members worked with and learned from partners in the non-profit and private sectors. These included:

- Carlton A. Brown, Principal, Direct Investment Development, LLC
- Sarah Brundage, Senior Director of Public Policy, Enterprise Community Partners, Inc.
- Lorraine Collins, Director of Public Policy, Enterprise Community Partners, Inc.
- Chris Herbert, Managing Director, Joint Center for Housing Studies of Harvard University
- Mike Koprowski, National Campaign Director, Opportunity Starts at Home Campaign
- Marion McFadden, Sr. Vice President, Public Policy, Enterprise Community Partners, Inc.
- Christopher Ptomey, Executive Director, Terwilliger Center for Housing, Urban Land Institute
- Adrianne Todman, CEO, National Association of Housing and Redevelopment Officials
- Margery Austin Turner, Senior Vice President, Urban Institute

Common Themes and Priority Topics

A series of common themes emerged from the first convening that the task force members shared, as listed below.

- The regional nature of housing policy issues contrasts with the local controls cities have over land use and funding.
- The need to address housing holistically because of its intersections with neighborhood economic development, household wealth creation, access to jobs and services, placemaking, public health, race and equity, etc.
- The need to address housing not just from the supply side but also from the demand side via focusing on access to economic opportunity and income growth.
- The levers cities have over housing through local land use policies and regulations including their development review processes and comprehensive plans.
- The need for the federal and state governments to be better partners for cities and have more defined roles (such as the federal role on low-income housing).
- The need for cities to unlock the production potential of the private market and better partner with the private development community.
- The need for a toolkit of practices that cities from a variety of market types can utilize.

Through their deliberations, the task force also settled the following five priorities.

1. Identifying housing funding and financing resources cities have at the local level, (such as housing trust funds and land banks and trusts, etc.).
2. How to address special populations in local housing policy such as (seniors, the homeless, and people with conviction histories).
3. Levers cities can exercise on housing utilizing local land use policies and regulations as well as their development review processes.
4. Federal housing resources.
5. Role of comprehensive planning in building a shared vision and collective action for housing.

The task force next met via webinar for a staff forum on February 20, 2019 to share local innovations. This discussion and subsequent follow-up with NLC staff identified case studies for sharing in this report based on the four categories of local actions prioritized in the first meeting: local funding, land use policy and regulation, comprehensive and strategic planning and engagement and housing for distinct and vulnerable populations.

The second and final in-person task force meeting took place on March 11, 2019 during NLC's City Congressional Conference in Washington, D.C. The meeting included reflections by Boston Mayor Martin Walsh on the efforts he has implemented to address housing in one of the highest-cost cities in the U.S. These efforts include:

- Creating a housing plan for 69,000 units by 2030, of which 29,000 units have already been built or are in construction,
- Emphasizing low- and middle-income housing including for seniors and students,
- Streamlining approval processes,
- Pushing back on input from neighborhoods that don't want to see growth and
- Opening a new Office of Housing Stability, to deal with evictions and displacements

Mayor Walsh also emphasized the need for more federal support for public housing as well as for vouchers for low-income households.

City Leaders' Housing Aspirations

At the March 11 task force meeting, Mayor Bowser also facilitated an aspirational discussion around a question: what would task force members do to solve this problem if they "weren't afraid to fail?" Their answers revealed insights into what cities could and should be doing to address their housing challenges. Responses fell into the four categories of local actions:

Local funding

- Create a fiscally sustainable local housing trust fund.
- Offer more rental subsidies and where permitted some forms of rent control.
- Require every corporation in city to establish a workforce training fund/program.

Land use policy, regulation and development process

- Ask residents in all neighborhoods to agree upon their share of citywide housing, production and preservation goals as a way of combatting resistance to growth and NIMBYism (Not in My Backyard attitudes).
- Ensure that affordable housing is built along new transit lines, especially along routes that connect to employment centers.
- Reduce barriers such as onerous development regulations especially on distressed property.
- Require that every annexation includes a percentage of affordable housing with community amenities (such as grocery stores and parks).
- Require developers to provide and subsidize more affordable housing.
- Tie economic development incentives for corporations to affordable housing production.
- Spread affordable housing around to deconcentrate poverty.

Planning

- Conduct a comprehensive housing assessment and a timeline to accomplish the city's needs and goals.
- Define displacement and create a strategy to prevent it as part of growth.

Distinct and vulnerable populations

- Create a new equity housing fund to address the legacy effects of redlining.
- Bolster anti-poverty programs like workforce training and only attract employers that pay living wages.
- Increase the minimum wage to help households afford better housing.
- Implement policies to address the related costs that impact housing affordability (like transportation).
- Require building owners to notify tenants when they intend to sell a property, giving tenant coops an opportunity to purchase.

At the City Congressional Conference, NLC staff took advantage of the gathering of more than 2,000 city leaders in Washington, D.C. to engage with them directly about the task force's work and seek their input on the same questions the task force members were addressing. Staff met with the following groups:

- NLC Board of Directors
- Advisory Council
- Community and Economic Development Policy and Advocacy Committee
- Large Cities Council
- Small Cities Council
- Young Municipal Leaders

Valuable feedback from each of these constituencies was incorporated into the report and helped shape its direction.

A Federal Housing Policy Agenda for Cities

After the City Congressional Conference, task force members convened a final time remotely via webinar on April 10, 2019 to discuss a federal policy agenda for NLC to advocate for on behalf of cities. The proposals were organized according to five distinct policy outcomes (although there was some overlap among those outcomes). The five outcomes identified by the task force are:

- Housing Affordability: policy proposals addressing the growing gap between rising rents and flat incomes.
- Housing Availability: policy proposals to preserve and expand the number of units of affordable housing.
- Housing Stability: policy proposals to stabilize those in financial distress related to housing, and preventing eviction.
- Fair Housing: policy proposals to address historic injustices and ongoing inequities, and anti-displacement proposals.
- Housing for Small, Rural and Legacy Communities: policy proposals aimed at towns and villages below 30,000 in population or in a state of economic transition.

Task force members discussed nearly 30 proposals responding to the following questions:

1. Are there any priorities identified by members of the task force, or that are important to your city, that are missing from this list?
2. Are you able to identify a single top priority within each of the five policy outcomes?
3. Are you able to identify three top priorities overall?
4. If the federal government could enact one single housing policy proposal this year, which proposal would have this most immediate significant impact for your city?

From this process, the task force developed the federal policy agenda section of the report.

Appendix B: The State Regulatory Context

***Local Tools to Address Housing Affordability: A State-by-State Analysis*, shows the following:**

Given the diverse landscape of housing affordability, cities must build and maintain the proper tools and flexibility to meet the needs of their residents. To that end, cities have implemented solutions such as inclusionary housing, rent control, fair housing and housing trust funds. They have also leveraged programs like their states' tax incentive programs to expand housing affordability and access.

NLC conducted an assessment of all 50 states and the District of Columbia to show how states and cities interact in each of these policy areas and provide details about cities' implementation authority. In the pages of *Local Tools to Address Housing Affordability: A State-by-State Analysis,* data for each policy comes from existing research, state legislation and relevant court decisions. Among the highlights are the following:

- Cities in 20 states and the District of Columbia are expressly permitted or face no legal barriers to inclusionary housing.
- Cities in 13 states and the District of Columbia are permitted, have some barriers, or have limited control to implement rent control. Oregon is the only state to mandate rent control.
- Cities in 25 states and the District of Columbia have either state law protections or local protections for those using housing vouchers as a source of income.
- Cities in 35 states and the District of Columbia have established housing trust funds.

The local housing context varies by regional housing market types and by the tools available to cities, towns and villages to address the needs of their communities. Based on our assessment of inclusionary housing, rent control, housing voucher holder protections, housing trust funds and state tax incentive programs, cities in New York, California and the District of Columbia have more tools to address housing affordability than others. Cities in Idaho, Indiana, Kansas, Texas and Virginia have fewer.

In addition to the number of tools available to cities, the way these policies play out locally varies significantly by state. For example, in some states with local inclusionary housing, rent control restrictions limit the authority of cities to implement mandatory programs, whereas in other states, this is not the case.

A new example of rent control can be seen in Oregon. In February 2019, it became the first state in the U.S. to enact mandatory statewide rent control. Cities in Oregon must adhere to the statewide rent control laws and are preempted from passing their own. This has created a new dynamic, the impacts of which will need to be evaluated.

Despite these variations, one thing is clear: The significant housing problem facing our country is compelling cities and states to rethink how they address the issue, and to adapt the relationship they have with each other to meet the scale of the challenge.

Cities can take several steps to achieve the careful balance of local flexibility and mutual housing affordability goals, including the recommendations outlined below.

Review, strengthen and update tools to improve housing affordability. Nearly all cities have control over local planning, zoning and development regulations and can carefully examine these tools to improve housing options across income levels. For example, cities can relax density requirements in areas designated as single family, modify parking requirements and streamline development processes for projects with an affordability component.

Fill a policy vacuum. Cities in 23 states do not have state or local sources of income protections for housing voucher holders. These states also do not have explicit restrictions on local fair housing, meaning that many cities could create policies to limit discrimination and help extend housing options to those using housing vouchers.

Leverage state programs for local investment. Cities should leverage state tax credits and state housing trust funds to maximize their ability to provide affordable housing at all income levels.

Proactively engage state partners. For example, cities Utah have been working with the state legislature and state Commission on Housing Affordability to craft a bill that not only accelerates affordability in regional housing markets across the state, but also offers cities flexibility to do so in ways that meet their individual needs.

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This document distributed to the committee at the request of Kyle Shepard, Director of Intergovernmental Relations, City of Orlando

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CITIES STRONG TOGETHER

Housing Market Conditions Across America's Cities

About the National League of Cities

The National League of Cities (NLC) is the voice of America's cities, towns and villages, representing more than 200 million people. NLC works to strengthen local leadership, influence federal policy and drive innovative solutions.

NLC's Center for City Solutions provides research and analysis on key topics and trends important to cities, creative solutions to improve the quality of life in communities, inspiration and ideas for local officials to use in tackling tough issues, and opportunities for city leaders to connect with peers, share experiences and learn about innovative approaches in cities.

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Foreword

Every day, I talk with local leaders from across the country. No matter the initial topic of our conversation, we often come back to one question: What is keeping them up at night? Without fail, the answer to that question involves the safety, security, and dignity of their community members. More times than not, those factors center around residents' access to and the availability of quality housing.

Those nighttime worries are well placed. Affordable, stable housing is currently out of reach for millions of Americans. And it's not an isolated issue – housing insecurity lessens a person's ability to hold a steady job, maintain their health, pursue an education, and have any true quality of life. This is the precise reason why local leaders have made housing a top priority.

Of course, there are certain housing policies that can have a positive impact everywhere, but we know that strategies and solutions in Seattle and Denver may not work for Charlotte, North Carolina, or Peoria, Illinois. That's why the National League of Cities (NLC) is proud to publish, "Housing Market Conditions Across America's Cities." The report gives communities recommendations that are tailored to their residents' needs and take into account the many factors that make America's cities, towns and villages unique.

It is a key component of NLC's continuous work to provide local leaders with the support and resources needed to address the mounting housing crisis. I am continuously grateful for the broad coalition of NLC members, partners and coalitions that are focused on this issue, including the Mayors Challenge to End Veteran Homelessness, Mayors and CEOs for U.S. Housing Investment, Opportunity Starts at Home, the 49 state municipal leagues and NLC's National Housing Task Force on Housing Affordability, which released its report in July 2019.

One local leader cannot solve housing insecurity alone, but working together, we can make a difference. I hope this resource will help local leaders make the best decisions for their residents, and eventually, allow them to rest a little easier at night knowing that their residents are safe, secure and dignified.

Clarence E. Anthony
CEO and Executive Director
National League of Cities

Introduction

America is currently experiencing a crisis in housing: Residents are having to pay more and more for housing while wages remain largely stagnant, making safe, quality, affordable housing harder and harder to find.[1,2] This dominant housing crisis narrative focuses on the lack of supply of low- and middle-income housing as the source of the problem. However, that's not the entire story. In some communities, factors like slow wage growth, lack of transit options or access to credit play a larger role in explaining why families can't afford housing with access to good jobs.

In order to effectively address housing challenges and apply the right mix of policy and regulatory solutions, local leaders must first understand the unique aspects of their housing markets. This research examines the interactions between housing market characteristics, including demographic, economic and housing supply features, across all 754 cities with populations greater than 50,000, to help guide solutions.

The analysis finds that cities tend to cluster together based on how well the number of approved building permits meets the needs of residents. In order to assess the alignment between the two, this analysis considers a variety of factors, such as income levels, job growth opportunities, job proximity, and rent and mortgage burden rates (for full list of variables see the Appendix). These factors together produced six types of local housing markets:

- **High Opportunity Cities:** Cities in this cluster tend to exhibit high median incomes and job growth and are approving low levels of single-family and average levels of multi-family building permits. In these cities, the overall stock of both single- and multi-family housing is not keeping pace with resident needs. Without policy action, these cities may fall short of producing the appropriate quantity and mix of dwellings to match their high job growth.
- **Growing Cities:** Cities in this cluster tend to exhibit average median income and high job growth and are approving high levels of both single- and multi-family building permits. They are experiencing growing populations of millennials and college-educated individuals, as well as growing job opportunities within closer-than-average proximity. These cities could therefore use more multi-family units. Without policy action, these cities may not be able to sustain their current state of net in-migration.
- **Rent-Burdened Cities:** Cities in this cluster tend to exhibit low median income and job growth and are approving the highest number of single- and multi-family building permits of all the clusters. With low levels of college education and relatively high levels of rent burden, these cities, while approving more building permits than any other cluster, should be prioritizing affordable multi-family housing to meet the demands of their predominately low-income populations. Without policy action, it is likely that low-income residents in cities in this cluster will continue to experience rent burden or be priced out of the cities all together.

- **Multi-Family Deficit Cities:** Cities in this cluster tend to exhibit average median income and job growth and are approving average levels of single-family building permits, but low levels of multi-family building permits. These cities should consider whether the number of multi-family housing units being approved is sufficient to meet the rising demand of their middle-income residents. Without policy action, these cities may not be able to sustain their current state of net in-migration.
- **Wealth Pocket Cities:** Cities in this cluster tend to exhibit the highest median income and job growth of all the clusters and are approving high levels of single-family building permits, but low levels of multi-family building permits. Interestingly, these cities also have the highest gender income gap. Without policy action, residents in these cities are likely to continue experiencing disparities in income and access to quality, affordable housing.
- **Transit-Desiring Cities:** Cities in this cluster tend to exhibit the lowest median income and job growth of all the clusters and are approving the lowest levels of single-family building permits, and average levels of multi-family building permits. Given that median incomes are lower in these cities, increasing access to public transit will be extremely important for ensuring that residents can access jobs. Without policy action, residents in these cities may not be able to experience the economic mobility that would be gained through access to public transportation.

Regardless of the cluster, there is significant room for improvement in all cities to deploy the right mix of housing and economic development strategies that will influence the affordability of the housing market. This report provides city officials with a unique, comprehensive perspective of their housing markets and a practical policy framework to achieve a healthy housing market that's better aligned with resident needs.

A Framework for Understanding Your Housing Market

The U.S. Department of Housing and Urban Development (HUD) provides a useful starting point for understanding the conditions that make up a given housing market. In considering housing market needs, HUD accounts for three key factors:[4]

1. **Demographic characteristics,** including population growth, especially among educated individuals and families with high incomes; prevalence of owner- and renter-occupied units; and incidences of rent and mortgage burden;[5]
2. **Economic characteristics,** including nonfarm job growth and access to public transit;[6] and
3. **Housing supply characteristics,** including the makeup of housing stock and the number of single- and multi-family housing units; prevalence of new homes and rental units permitted for construction; and home sale growth.[7,8]

The ability of residents to access affordable housing, whether renting or buying, is in large part determined by their demographic characteristics such as income, race, age and educational attainment. There is a widening gap between what residents are being asked to pay for homes and what they can actually afford.[9] The circumstance known as "cost burdened" (paying more than 30 percent of income on owned or rented housing units) affects workers everywhere.[10] One study found the rate of severely rent-burdened households, in particular non-white households, increased significantly between 2001 and 2015.[11]

Access to affordable housing is also determined by key economic factors such as job growth, proximity to jobs and access to transportation. Millennials, in particular, have reported an unemployment rate twice the national average, and as a result, have been more likely to move back into their parents' homes. This suggests that without good employment opportunities, Millennial residents can't afford stable housing.[12]

Additionally, communities with access to transportation resources and services have been shown to support strong housing markets that lead to improved prosperity and well-being among household members.[13] Access to transit means a reduction in transportation costs for the average resident, which is especially important for those facing economic hardship.[14] One study found that after the recent housing crisis, house sale values were more resilient for properties that had easy access to transit.[15]

Finally, access to affordable housing is determined by the mix of single- and multi-family housing permits issued by a city, as well as the sale of those housing units. Since housing construction costs haven't changed much over time — in fact, there have been virtually no net efficiency savings in construction costs between 1980 and today — developers are not able to pass down lower costs in the form of market prices to residents.[16,17] Each of these factors represents influences on the supply and demand of housing in a given place. When taken together, they interact in complex ways that are important for policy makers to consider when creating city-level housing policies. This analysis groups cities with similar characteristics together and helps us tell a new story of the current housing crisis.

Types of Housing Markets

Overview

To capture how demographic, economic and housing supply factors interact with one another, we conducted a cluster analysis, which allows us to define housing market types by categorizing cities into mutually exclusive groups. We are specifically interested in two questions:

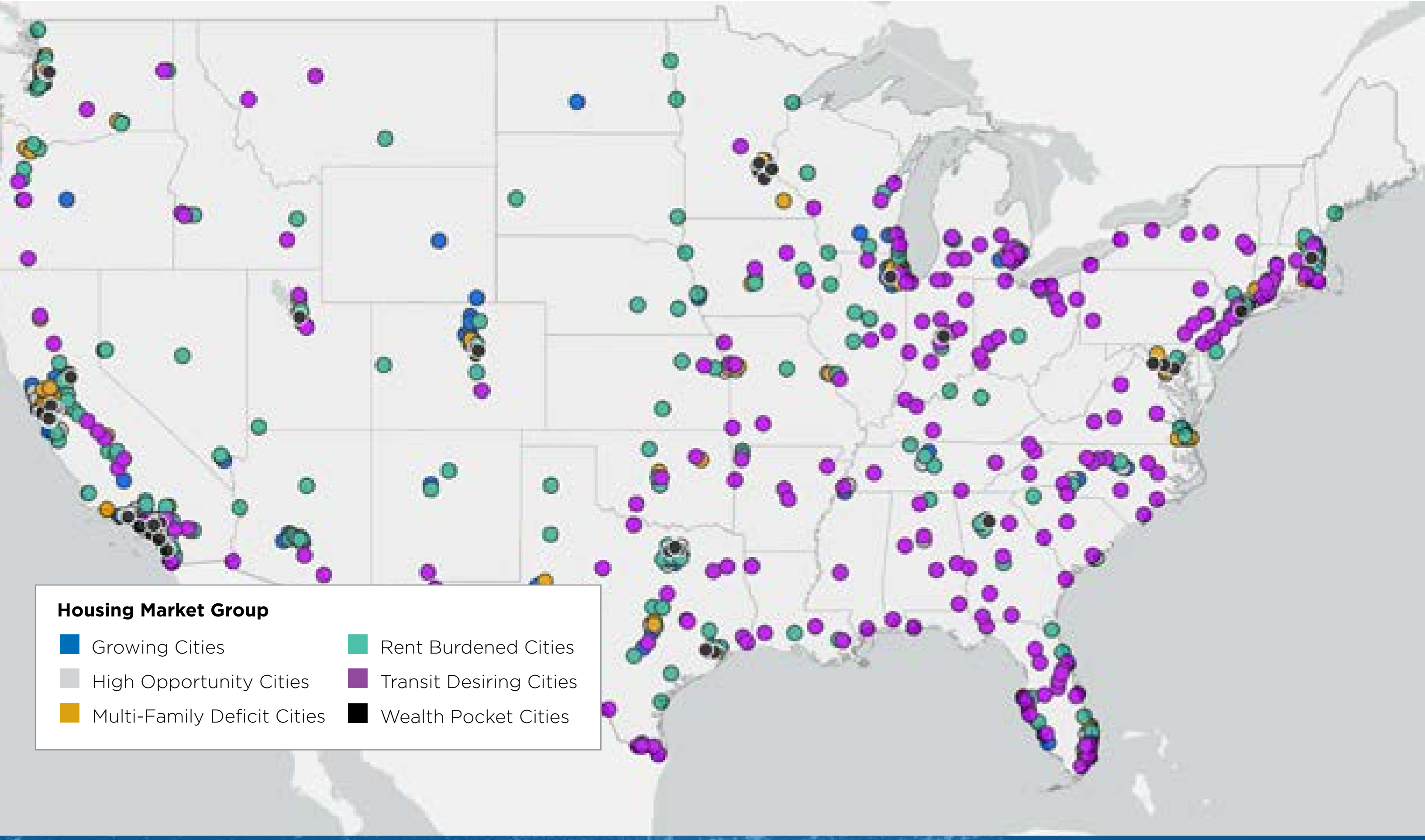
1. Given that not all local housing markets behave the same, how can we characterize cities in a way that effectively captures the most influential factors, and
2. How can we use these more nuanced groupings of city housing markets to identify preferable or advantageous policy tools?

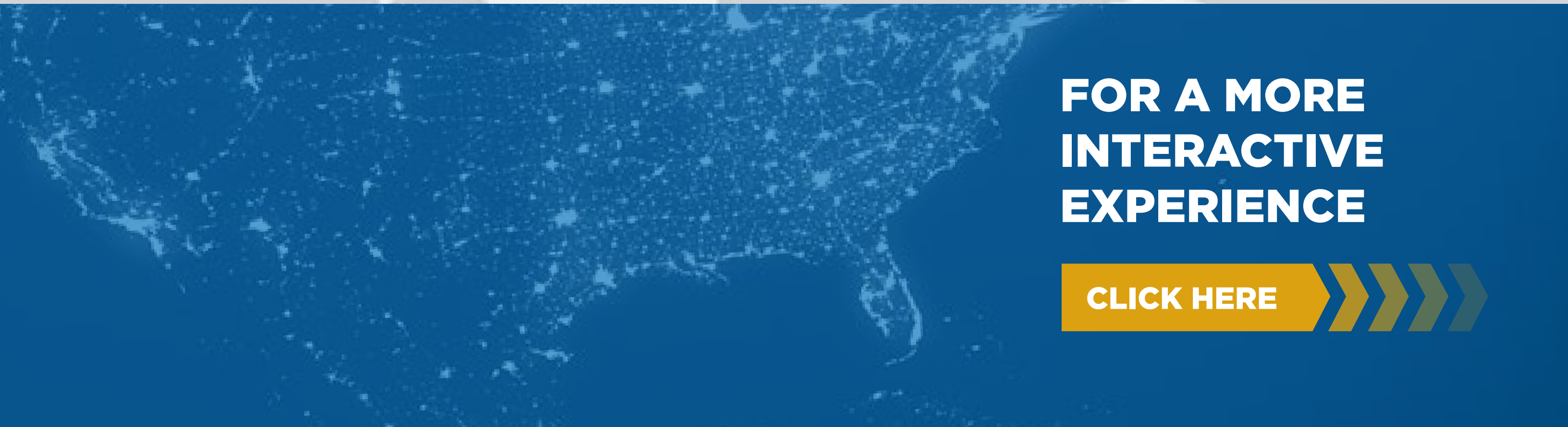
We focused on whether each city's permitting of single- and multi-family housing is meeting the income levels and job growth opportunities of its residents. Alignment of these factors, or lack thereof, determines the most appropriate policy levers (see Table 1). Six types of local housing markets emerged from our cluster analysis.

Table 1. Demographic, Economic and Housing Supply Features with Policy Direction, by Cluster[18]

Cluster	Percent Cities in Sample	Demographic and Economic Factors	Housing Supply	Policy Recommendations
High Opportunity Cities	13%	High median income and job growth	Low numbers of single-family home permits and medium numbers of multi-family permits	• Increase densities per acre through single-family attached units • Streamline permitting and development fees • Maintain public housing • Offer tax increment financing for affordable rental housing
Growing Cities	12%	Medium median income and job growth	High numbers of single- and multi-family permits	• Launch or increase funding to a housing trust fund • Utilize linkage/impact fees • Increase multi-family building permits for young and low-income residents • Build micro units and tiny homes • Give tax abatements and exemptions for affordable housing
Rent-Burdened Cities	27%	Low median income and job growth	Highest numbers of single- and multi-family permits	• Implement or increase rental assistance • Utilize landlord incentive funds • Prioritize multi-family permitting • Invest in shared equity models & community land trusts • Support minimum wage increases • Reduce barriers to homeownership (e.g., shared appreciation mortgages and down-payment/closing cost assistance programs) • Offer tax exempt municipal bonds
Multi-Family Deficit Cities	12%	Medium median income and job growth	Medium numbers of single- and low numbers of multi-family permits	• Approve more multi-family building permits tied to transit nodes • Streamline permitting and development fees • Provide density bonuses for multi-family housing • Increase below market financing/use of loan guarantees • Launch a Payments in Lieu of Taxes (PILOT) program to encourage developers to build multi-family housing options
Wealth Pocket Cities	7%	Highest median income and job growth	High numbers of single-family permits and low numbers of multi-family permits	• Provide rental assistance for female householders • Promote rehabilitation and preservation of existing affordable housing • Increase multi-family building permits • Strengthen “Just Cause” eviction policies • Advance legal assistance for at-risk renters and eviction cases • Offer tax exempt municipal bonds
Transit-Desiring Cities	29%	Lowest median income and job growth	Lowest number of single-family home permits and medium numbers of multi-family permits	• Connect development to improved transit options and lock-in permanent affordability • Encourage joint development with transit agencies and other interagency partnerships • Foster entrepreneurship and cooperative business ownership models • Reduce impact fees and exactions

Figure 1. Geographic Distribution of Cities Across Six Identified Housing Markets





High Opportunity Cities

We classified 97 cities (13 percent) as having an insufficient number of building permits for their job, population, and income growth. These cities exhibit:

- High median income
- High owner occupancy
- High gender income gap
- Lowest non-white population
- Medium population growth
- High job growth
- Medium public transit access
- Low number of single-family building permits

Seattle, Washington represents this group well. While the city's real estate market has slowed over the past year, market conditions have become more favorable to buyers of premium homes. Developers are increasingly building more luxury or "premium" housing catered to America's upper and upper-middle class.[19] In fact, premium homes account for more than half of the real estate market, a 14 percent increase between 2012 and 2016.[20]

Population and job growth, as well as college degree attainment and median income, for Seattle and other cities in this cluster, exceed the national average. In alignment with the fact that 46 percent of housing units are owner occupied, over half the current approved building permits are for single-family homes. However, home sale growth was a modest two percent between 2016 and 2017 and a negative 13 percent between 2017 and 2018. This suggests that Seattle's residents are not interested in purchasing the single-family homes being approved by the city, but may be interested in a wider range of multi-family housing instead. While this cluster exhibits lower rent burden compared to all other clusters, nearly 50 percent of the population is still rent-burdened. To address this, Seattle is poised to increase housing densities by mandating that all new multi-family housing developments reserve a certain percentage of planned units as rent-restricted housing for low-income families or contribute to the city's housing fund to build affordable housing.

Gaithersburg, Maryland is a small city with population and job growth closer to the national average. Gaithersburg boasts a higher-than-average median income and its residents have good access to jobs. In this city, developers are building a similar mix of single- and multi-family housing units, in alignment with the city's nearly 50-50 split by occupancy. But home sales have grown above the national average, at over 14 percent between 2016 and 2017, further signaling the demand for single-family homes.

These cities should examine the existing neighborhood-by-neighborhood footprints of single-family housing as well as their residents' income levels to assess whether they are permitting the right mix of dwellings for their predominately high-income residents. For example, half of the housing units in both Seattle and Gaithersburg are owner occupied, yet about one-third of the residents are mortgage burdened. While both cities are approving more permits for single-family units than multi-, they will need to assess whether this mix of properties is sufficient to meet demand.

Growing Cities

We classified 92 cities (12 percent) as having an insufficient number of multi-family building permits for their predominately medium-income residents. These cities exhibit:

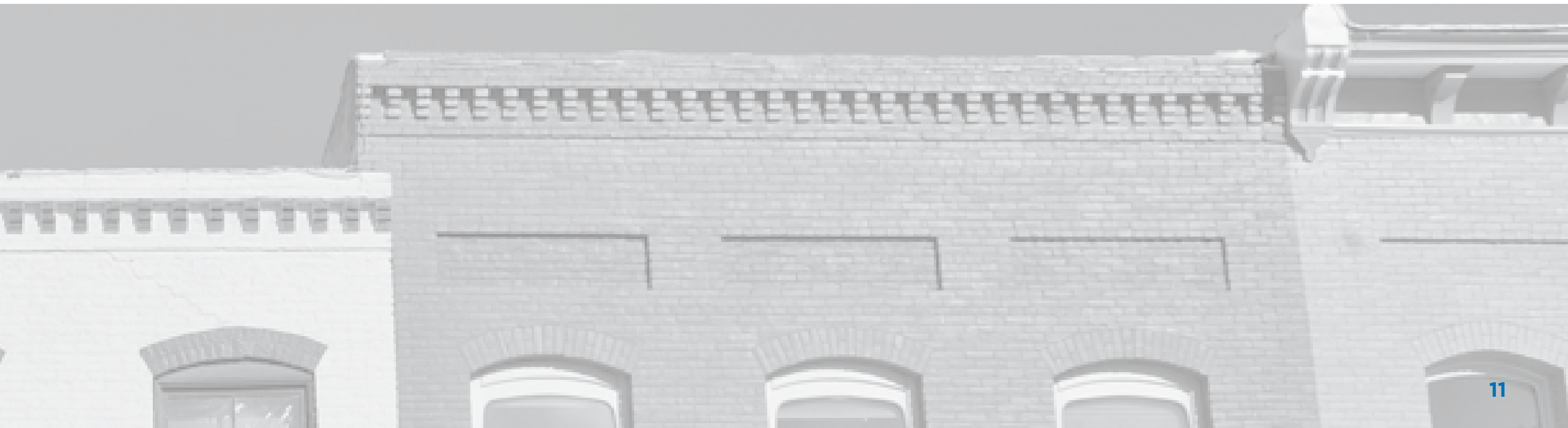
- Median income
- Medium owner occupancy
- Medium gender income gap
- Low non-white population
- Medium population growth
- Medium job growth
- Low public transit access
- Medium number of single-family building permits

Virginia Beach, Virginia experienced population growth lower than the national average. In Virginia Beach, approximately 41 percent of the population is Millennial, 38 percent Generation X and 21 percent Baby Boomer. Over 45 percent of its residents are college educated, with a median income above the national average. In this city, jobs are also not growing at a particularly rapid rate, yet what sets it apart from others is its higher-than-average proximity to jobs (other cities in this cluster that are experiencing slow job growth but high proximity to jobs are Burbank, California; Bloomington, Minnesota and Palatine, Illinois). High proximity to jobs means more opportunity for economic growth, which bodes well for the in-migration of young singles, as well as growing families.

The city has been prioritizing single-family housing — Virginia Beach is approximately 64 percent owner occupied, similar to the national average — and has approved nearly 20 single-family building permits for each multi-family building. While it is true that other cities with similar demographic and economic characteristics prioritize single-family housing over multi-family, Virginia Beach is one of the few cities that is building a substantial proportion of multi-family housing, at 32 buildings versus the national average of 13 buildings.

Marysville, Washington experienced huge population growth, almost doubling its population since 2007, as well as a higher-than-average job growth rate. While only 29 percent of the population is college-educated, an above-average median income and a below-average mortgage burden qualify the city, in some respects, as an economic growth engine. In this city, nearly six single-family building permits were approved for each multi-family one. Since the city is experiencing high population and economic growth, it would do well to follow Virginia Beach's lead and increase its housing mix to accommodate its varied population of Millennials, Generation X and Baby Boomers.

These cities need to focus on the people who are attracted to them. Millennials, for example, may be interested in non-traditional housing options such as micro units. Furthermore, these cities could examine their residents' income levels to assess whether they are building the right mix of dwellings for their predominately middle-income residents and identify how local governments might support wealth-creation strategies. Maximizing density is key to ensuring both residents' ability to pay and ample housing options, such as multi-family or multi-story single-family style structures (i.e., townhouses).



Rent-Burdened Cities

We classified 204 cities (27 percent) as having the highest number of single- and multi-family building permits for their predominately low-income residents. These cities exhibit:

- Low median income
- Low owner occupancy
- Low gender income gap
- Medium non-white population
- Low population growth
- Low job growth
- Highest public transit access
- Highest number of single-family building permits

What sets these cities apart from the rest is their access to public transit and the proximity of residents to job centers. These cities deploy nearly twice as many public transit vehicles as the other cities, giving them the greatest advantage when it comes to accessing good jobs. So, while job growth and educational attainment could be improved, residents are better able to access jobs from various locations, meaning that housing cost burden is slightly less, on average, than in other cities.

Interestingly, these cities are more geographically spread out than cities in other clusters. In terms of population, this group has the highest average population at nearly 263,000. This group includes very large cities with populations over two million, such as New York City, Los Angeles, Chicago and Houston, as well as smaller cities with fewer than 60,000 residents such as Carson, Nevada; Revere, Massachusetts; Manhattan, Kansas and Coconut Creek, Florida.

Residents in Columbia, Missouri have average college degree attainment yet low median incomes. They are also further from jobs than many other cities in the nation. Columbia is also experiencing high levels of rent burden, at nearly 56 percent of residents. While the owner-to-renter breakdown is about 50-50, over 12 times more single-family homes were approved to be built in 2017 than multi-family homes, highlighting the misalignment in the mix of housing offered to the city's predominately low-income residents.

Meanwhile, New York City experienced population and job growth closer to the national average and has a median income around $57,782. Commensurate with those characteristics, home ownership is about half the national average and about 50 percent of residents are mortgage burdened, while 50 percent are rent burdened. Very little new housing has been built since 2014, and while many of the approved building permits are for multi-family housing units, the city simply does not have an adequate mix of single- and multi-family housing units to accommodate its varied population. Interestingly, Hempstead, a suburb "ring" community of New York City, is also experiencing this problem, suggesting a misalignment in the approval of single- and multi-family building permits with the residents inhabiting the broader region.

These cities should examine their levels of rent and mortgage burden to identify whether they are offering an adequate mix of affordable dwellings for their predominately low-income residents. If these cities recognize the high rent burden, as well as the demand for multi-family housing, and concentrate on the development of more multi-family units, their low-income residents may have the opportunity to decrease their rent burden. Programs that deliver rental assistance to residents may prove to be the most valuable investments of both local and federal housing dollars. Follow-on programs may include homeowner education programs and income-restricted first-time homebuyer assistance, as well as shared equity housing models via community land trusts.

Multi-Family Deficit Cities

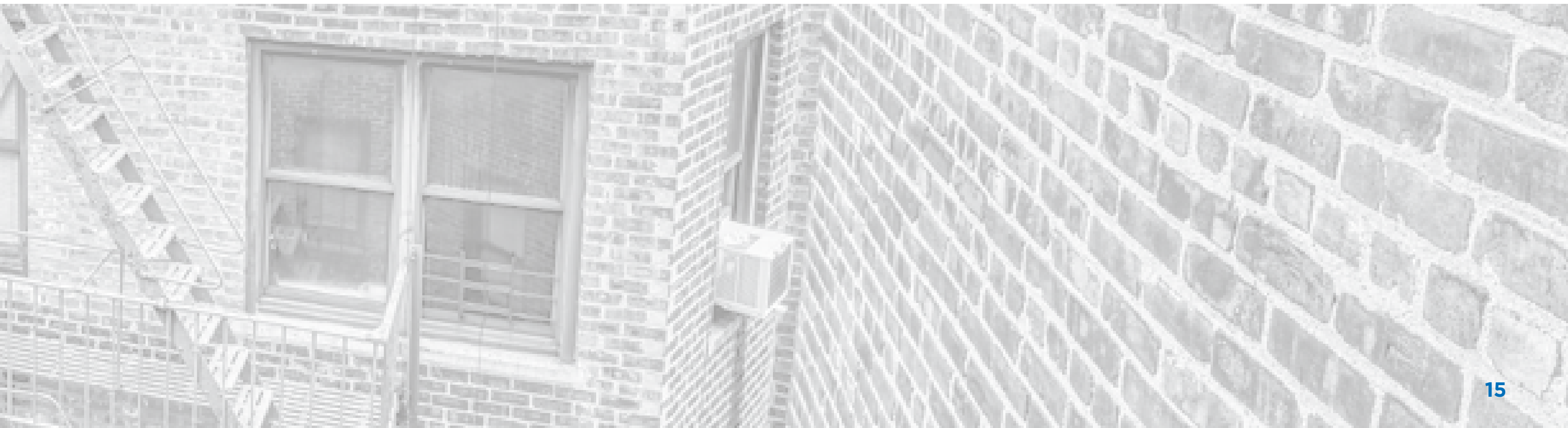
We classified approximately 88 cities (12 percent) as having a high number of single- and multi-family building permits for their predominately medium-income residents. These cities exhibit:

- Median income
- Medium owner occupancy
- Medium gender income gap
- Low non-white population
- Medium population growth
- High job growth
- High public transit access
- High number of single-family building permits

Nearly 52 percent of Denver, Colorado's population is college educated and the median income is approximately $60,000. About 50 percent of the housing units are owner occupied and the remaining 50 percent are renter occupied. Both single- and multi-family permitting approvals are above the national average. Over 2,000 single-family building permits were approved in 2017, and the city has implemented innovative strategies to increase mixed-use, mixed-income development, increase affordable housing options near public transportation, develop strategies to combat issues of displacement and provide increased incentives for private and non-profit investment in affordable housing.[21]

Compared to Denver, Madison, Wisconsin exhibits very similar demographic characteristics but lower population and job growth, albeit still at or above the national average. Still, single- and multi-family building permitting is high, just like for other cities in this cluster. With relatively low levels of mortgage burden but high levels of rent burden, the city could be prioritizing more multi-family housing. Madison approved nearly 10 single-family building permits for every multi-family one.

Investments in transit have made a difference for cities in this cluster. Looking at single-family development, these cities would do well to better understand the housing demands of their residents and ask whether the residents' income levels are sufficient to afford the very high number of single-family homes. If not, these cities should consider whether the number of multi-family housing units being approved is sufficient to meet the rising demand of their middle-income residents. These cities can also focus on increasing the variety of housing types and prices.



Wealth Pocket Cities

We classified 51 cities (7 percent) as prioritizing single-family building permits over multi-family building permits for their predominately high-income residents. These cities exhibit:

- Highest median income
- Highest owner occupancy
- Highest gender income gap
- High non-white population
- Highest population growth
- Highest job growth
- Lowest public transit access
- Medium number of single-family building permits

Nearly three-quarters of Newport Beach, California's population is college educated, with a median income well above the national average, at $119,379. The owner-occupancy rate is slightly above the renter-occupancy rate at 57 percent, and about six single-family homes have been approved to be built for each multi-family building, a rate above the national average. Most surprising is the nearly 27 percent decline in home sales between 2017 and 2018, well above the national average of only two percent.

Another city in this group is Naperville, Illinois. This city experienced positive job growth, albeit lower than the national average. Additionally, the city boasts a very high median income and good job prospects. However, it exhibits a high gender income gap between female and male workers. In terms of permitting, 337 single-family building permits were approved, above the national

average of 315. However, home sales declined by nearly 19 percent. This could be due, in part, to the high cost of housing in Naperville. While the cost of construction for a modest single-family home is about $270,000, the median sales price is over $400,000.

Similarly, in cities such as Fremont, California; Bellevue, Washington; Parker, Colorado; Rockville, Maryland and Flower Mound, Texas; single-family home sale prices are much higher than the cost of construction. While modest single-family homes in all five cities cost less than $240,000 to construct, the median home sale prices in those cities are more than double the cost of construction. This misalignment between home sale prices and the cost of construction makes it more difficult for residents to afford housing and creates an environment where developers are keen to build high-end housing where they can increase their profit margins, further disadvantaging low- and middle-income residents.

These cities could benefit from preserving existing affordable housing, increasing attention to income disparities in accessing affordable housing, and looking at gender and race as factors when thinking about how to increase upward mobility and financial security. In these cities, wages could be distributed better between female and male employees, with a particular focus on supporting women-headed households in rental housing. Additionally, there will be a need to think about affordable housing for aging populations, given the more evenly split generational mixes in these cities.

Transit-Desiring Cities

We classified 222 (29 percent) as those that prioritize multi-family building permits over single-family building permits for their predominately low-income residents. These cities exhibit:

- Lowest median income
- Lowest owner occupancy
- Lowest gender-income gap
- Highest non-white population
- Lowest population growth
- Lowest job growth
- Medium public transit access
- Lowest number of single-family home permits

Large cities such as Cincinnati and Cleveland, Ohio (both with populations above 300,000), find their way into this group. While median incomes in both cities are well below the national average, Cincinnati's residents are about twice as likely to have a college degree as Cleveland's residents. Cincinnati also experienced a positive job growth, while Cleveland did not. Cleveland deploys about 100 more public transit vehicles to its residents than Cincinnati, and thereby provides its residents with opportunities to help bridge its economic gap. Additionally, 60 percent of Cleveland residents and 50 percent of Cincinnati residents are non-white, highlighting the high diversity in this group of cities and underscoring the need for the consideration of race in the development of housing policy.

Both of these cities are approving multi-family permits at a rate similar to the national average but are approving single-family permits at a much lower rate (an average of 163 compared to 315). Yet, about 50 percent of their residents are experiencing rent burden, and over 30 percent are experiencing mortgage burden.

Given that median incomes are lower in these cities, public transit is extremely important for ensuring that residents can access jobs. By examining the extent to which residents are using public transportation to get to work and public transit vehicles are deployed, cities can enhance opportunities for economic mobility for their residents. This kind of comparison can help build consensus for investments in transit-supportive land-use planning, demonstrate the need for income-assisted housing or transit investments in particular areas, or simply raise awareness of a region's housing and transportation challenges.

Conclusion

Housing is a significant contributor to the well-being of residents and thus must remain a key issue for policy makers. Our nation's residents need quality, affordable housing where living conditions are not tenuous or constantly in flux. But the gap between what residents must pay for a home and what they can actually afford is widening. Overall, vibrant communities with greater opportunities for economic prosperity are grounded in strong housing stocks that serve the myriad needs of singles, families and seniors across generations and income levels, and are accessible to employment, healthcare and recreational opportunities.

Understanding the factors that comprise housing markets, and the extent to which a city's permitting of single- and multi-family housing is meeting the income levels and job growth opportunities of its residents, allows local leaders to apply the best strategies for their communities. In each of the housing market types identified in this analysis, trade-offs are playing out against each other based on which housing values are highest priorities – mix of housing type, mix of owners and renters, volume of new construction and investment in transit. There is still significant room for improvement in all cities to deploy the right mix of housing and economic development strategies and tools that will influence the affordability of the housing market. Cities must continue to ensure that all residents have equitable access to housing, jobs and amenities.

This report provides a starting point for understanding the unique characteristics of city housing markets and can be a key tool in informing the work that local policy makers do every day.

TO EXPLORE THE COMPLETE LIST OF CITIES AND DATA POINTS INCLUDED IN THIS REPORT, CLICK HERE.

End Notes

1 U.S. Census Bureau; American Community Survey, 2013-2017 American Community Survey 5-Year Estimates, Table CP04; generated by Author; using American FactFinder; http://factfinder.census.gov; (7 January 2017).

2 Pew Charitable Trusts. "American Families Face a Growing Rent Burden." April 2018. https://www.pewtrusts.org/en/research-and-analysis/reports/2018/04/american-families-face-a-growing-rent-burden

3 Office of Policy Development and Research. "U.S. Housing Market Conditions." U.S. Department of Housing and Urban Development. https://www.huduser.gov/portal/ushmc/chma_archive.html

4 Note we also considered the following: prevalence of higher education institutions; presence of military personnel; area median income; mortgage delinquency. Due to high variability across cities, we did not include some of these measures. As for the others, we did not include because they are correlated with factors that we have already included such as rent/mortgage burden.

5 The United States Census Bureau; American Housing Survey, 2013-2017 American Community Survey 5-Year Estimates; https://www.census.gov/programs-surveys/ahs.html

6 Access to transit data

7 United States Census Bureau; Building Permits Survey 2016; https://www.census.gov/construction/bps/

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13 Lee, Andrew Chee Keng, Jodan, Hannah C., And Jason Horsley. Value of Urban Green Spaces in Promoting Health Living and Wellbeing. Risk Management and Healthcare Policy. 2015;8: 131-137.

14 Joint Center for Housing Studies of Harvard University. "The State of the Nation's Housing 2018." https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_State_of_the_Nations_Housing_2018.pdf

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16 RSMeans Construction Cost Indexes. "Historical Cost Indexes." Accessed March 2019. https://www.rsmeansonline.com/references/unit/refpdf/hci.pdf

17 McKinsey Global Institute. "Reinventing Construction Through a Productivity Revolution." February 2017. https://www.mckinsey.com/industries/capital-projects-and-infrastructure/our-insights/reinventing-construction-through-a-productivity-revolution

18 To understand what housing-specific policies are available in each state see the National League of Cities' report, Local Tools to Address Housing Affordability: A State-by-State Analysis

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20 Picchi, Aimee. "Good Luck Finding a Less-than Luxury Home." CBS News. February 2017. https://www.cbsnews.com/news/good-luck-finding-a-less-than-luxury-home/

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THE FLORIDA SENATE

APPEARANCE RECORD

10/16/19
Meeting Date

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Bill Number (if applicable)

Amendment Barcode (if applicable)

Topic Workforce Housing

Name Shawn Wilson

Job Title President of Blue Sky Communities

Address 5300 W. Cypress St.
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Phone 813-384-4825

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Speaking: [x] For [ ] Against [x] Information

Waive Speaking: [ ] In Support [ ] Against
(The Chair will read this information into the record.)

Representing

Appearing at request of Chair: [x] Yes [ ] No

Lobbyist registered with Legislature: [ ] Yes [x] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

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10/16/19
Meeting Date

Bill Number (if applicable)

Amendment Barcode (if applicable)

Topic Afforable Housing

Name Shannon Nazworth

Job Title President/CEO Ability Housing

Address 3740 Beach Blvd
Street

Jacksonville FL 32207
City *State* *Zip*

Phone 904-359-9650

Email snazworth@abilityhousing.org

Speaking: ☐ For ☐ Against ☒ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Ability Housing Inc

Appearing at request of Chair: ☒ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10/16/19
Meeting Date

Bill Number (if applicable)

Amendment Barcode (if applicable)

Topic Affordable Housing

Name Danielle Scoggins

Job Title Vice President of Public Policy

Address 200 S Monroe St.
Street

Tallahassee FL 32301
City *State* *Zip*

Phone 8502241400

Email danielles@floridarealtors.org

Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Florida Realtors Association

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☐ No

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10-16-19
Meeting Date

Bill Number (if applicable)

Amendment Barcode (if applicable)

Topic

Name Shamisea M Grier

Job Title

Address 236 E Stratford Ave
Street

Tampa, FL 33603
City *State* *Zip*

Phone 727-336-7418

Email g.shamisea@gmail.co

Speaking: ☑ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☐ No

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10/16
Meeting Date

Bill Number (if applicable)

Amendment Barcode (if applicable)

Topic affordable Housing

Name Alice Moore

Job Title Retired

Address 8416 N Chevalier Ave, 5T6 Box 72
Street

Phone

Tampa FL 33604
City State Zip

Email alicemoore7045@gmail

Speaking: ☑ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☐ No

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10/16/19
Meeting Date

Bill Number (if applicable)

Amendment Barcode (if applicable)

Topic: Affordable Housing

Name: Steve Auger

Job Title: CEO, Birdsong Housing Partners

Address: 1631 E. Vine Street, Suite 300
Street

Kissimmee FL 34744
City State Zip

Phone: 850-597-0851

Email: steve.auger@birdsonghousing.c

Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☑ No

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

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10/16/19
Meeting Date

Bill Number (if applicable)

Amendment Barcode (if applicable)

Topic: Housing

Name: Trey Price

Job Title: Executive Director

Address: 227 S. Bronough St Ste 5000
Street

Tallahassee FL 32311
City State Zip

Phone: 850-488-4197

Email: Trey.Price@floridahousing.[illegible]

Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing: Florida Housing Finance Corp

Appearing at request of Chair: ☑ Yes ☐ No

Lobbyist registered with Legislature: ☑ Yes ☐ No

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10/16/19
Meeting Date

N/A
Bill Number (if applicable)

N/A
Amendment Barcode (if applicable)

Topic Affordable & Workforce Housing

Name Nick Maddox

Job Title County Commissioner/FAC President

Address 301 S. Monroe St, 5th Fl ~~[illegible]~~
Street

Phone (850) 606-5377

Tallahassee FL 32301
City State Zip

Email NMaddox@leoncountyfl.gov

Speaking: ☐ For ☐ Against ☑ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing ____________________

Appearing at request of Chair: ☑ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☑ No

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Oct. 16, 2019
Meeting Date

Bill Number (if applicable)

Amendment Barcode (if applicable)

Topic Affordable Housing

Name Kyle Shephard

Job Title Director of Intergovernmental Relations

Address 400 S. Orange Ave. 3rd Floor
Street

Orlando FL 32801
City *State* *Zip*

Phone (407) 579-5952

Email kyle.shephard@orlando.gov

Speaking: ☐ For ☐ Against ☑ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing City of Orlando

Appearing at request of Chair: ☑ Yes ☐ No

Lobbyist registered with Legislature: ☑ Yes ☐ No

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10
Meeting Date

Bill Number (if applicable)

Amendment Barcode (if applicable)

Topic Affordable Housing

Name TiA Aery

Job Title Executive Director Family Promise of Greater Orlando

Address 1334 W. Harvard St.
Street

Orlando, F 32804
City State Zip

Phone 321-474-6279

Email tiaaery@familypromiseorlando.org

Speaking: ☐ For ☐ Against ☒ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing

Appearing at request of Chair: ☒ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date: ____________________

Bill Number (if applicable): ____________________

Amendment Barcode (if applicable): ____________________

Topic: Workforce Housing

Name: Bill Lazar

Job Title: Executive Director

Address: 525 Lewis Point? St
Street

St. Aug, FL 32084
City State Zip

Phone: 904-669-1069

Email: BLAZAR@SJHP.ORG

Speaking: [X] For [ ] Against [ ] Information

Waive Speaking: [ ] In Support [ ] Against
(The Chair will read this information into the record.)

Representing: St. Johns Housing Partnership

Appearing at request of Chair: [X] Yes [ ] No

Lobbyist registered with Legislature: [ ] Yes [X] No

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S-001 (10/14/14)

CourtSmart Tag Report

Room: EL 110 **Case No.:** **Type:**
Caption: Subcommittee on Transportation, Tourism, and Economic Development **Judge:**

Started: 10/16/2019 3:31:05 PM
Ends: 10/16/2019 4:59:48 PM Length: 01:28:44

3:31:04 PM	Call to Order
3:31:56 PM	Sen. Hutson
3:32:46 PM	TAB 1 - Panel Discussion on Affordable and Workforce Housing in Florida
3:33:39 PM	Shannon Nazworth, President, Ability Housing
3:39:01 PM	Sen. Hutson
3:39:18 PM	S. Nazworth
3:40:11 PM	Sen. Perry
3:40:22 PM	S. Nazworth
3:40:53 PM	Sen. Perry
3:41:07 PM	S. Nazworth
3:41:14 PM	Sen. Perry
3:41:33 PM	S. Nazworth
3:41:41 PM	Sen. Perry
3:42:04 PM	S. Nazworth
3:42:42 PM	Sen. Thurston
3:43:07 PM	S. Nazworth
3:43:50 PM	Sen. Thurston
3:43:55 PM	S. Nazworth
3:44:19 PM	Sen. Thurston
3:44:28 PM	S. Nazworth
3:44:33 PM	Sen. Thurston
3:44:44 PM	S. Nazworth
3:45:43 PM	Sen. Torres
3:46:20 PM	S. Nazworth
3:46:40 PM	Sen. Torres
3:46:51 PM	S. Nazworth
3:47:15 PM	Bill Lazar, Executive Director, St. Johns Housing Partnership
3:56:11 PM	Sen. Hutson
3:56:26 PM	B. Lazar
3:57:25 PM	Sen. Lee
3:58:49 PM	B. Lazar
4:02:55 PM	S. Nazworth
4:03:52 PM	B. Lazar
4:04:55 PM	Sen. Lee
4:05:34 PM	B. Lazar
4:06:56 PM	Shawn Wilson, President, Blue Sky Communities
4:12:57 PM	Sen. Hutson
4:13:24 PM	S. Wilson
4:14:24 PM	Danielle Scoggins, Vice President of Public Policy, Florida Realtors
4:17:35 PM	Kyle Shepard, Director of Intergovernmental Relations, City of Orlando
4:28:52 PM	Sen. Hutson
4:29:15 PM	K. Shepard
4:30:45 PM	Sen. Hutson
4:31:13 PM	K. Shepard
4:31:48 PM	Sen. Hutson
4:32:15 PM	K. Shepard
4:33:04 PM	Tia Aery, Executive Director, Family Promise of Greater Orlando
4:39:17 PM	Sen. Hutson
4:39:40 PM	T. Aery
4:40:36 PM	K. Shepard
4:41:23 PM	S. Nazworth
4:42:08 PM	Nick Maddox, President, Florida Association of Counties

4:47:09 PM	Sen. Hutson
4:47:20 PM	N. Maddox
4:48:48 PM	Trey Price, Executive Director, Florida Housing Finance Corporation
4:51:00 PM	Sen. Hutson
4:51:41 PM	T. Price
4:52:40 PM	Steve Auger, CEO, Birdsong Housing Partners
4:54:25 PM	Alice Moore, Citizen, City of Tampa
4:57:20 PM	Shamisea Grier, Citizen, City of Tampa
4:58:50 PM	Sen. Hutson
4:58:56 PM	S. Grier
4:59:48 PM	Meeting Adjourned