



Gainesville.
Citizen centered
People empowered

2018 HOUSING FORUM

Facilitated by:
Florida Housing Coalition
July 16, 2018

THE FLORIDA HOUSING COALITION



PURPOSE

- **Discuss affordable housing needs and challenges in the City of Gainesville.**
- **Identify potential solutions or strategies to address affordable housing needs in the City of Gainesville.**
- **Solicit input from elected officials and public on potential affordable housing solutions.**
- **Prioritize affordable housing strategies and discuss next steps.**

ESTABLISHING COMMON GROUND; WHICH IMPACTS AFFORDABLE HOUSING IN THE CITY OF GAINESVILLE

PRESENTATION BY:

ANNE RAY

SHIMBERG CENTER FOR HOUSING STUDIES

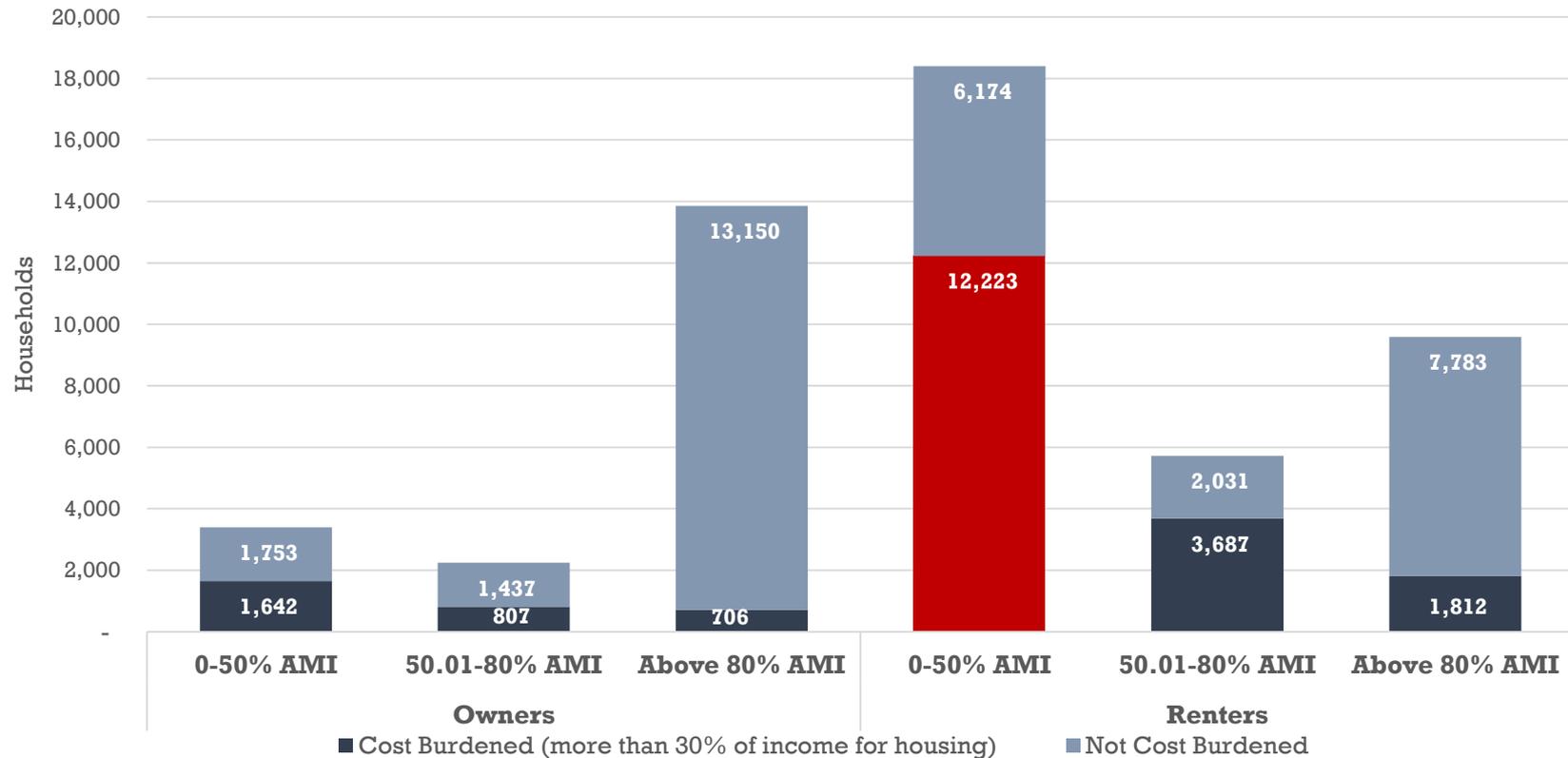


THE FLORIDA HOUSING COALITION



THOUSANDS OF LOW-INCOME HOUSEHOLDS IN GAINESVILLE ARE COST BURDENED...

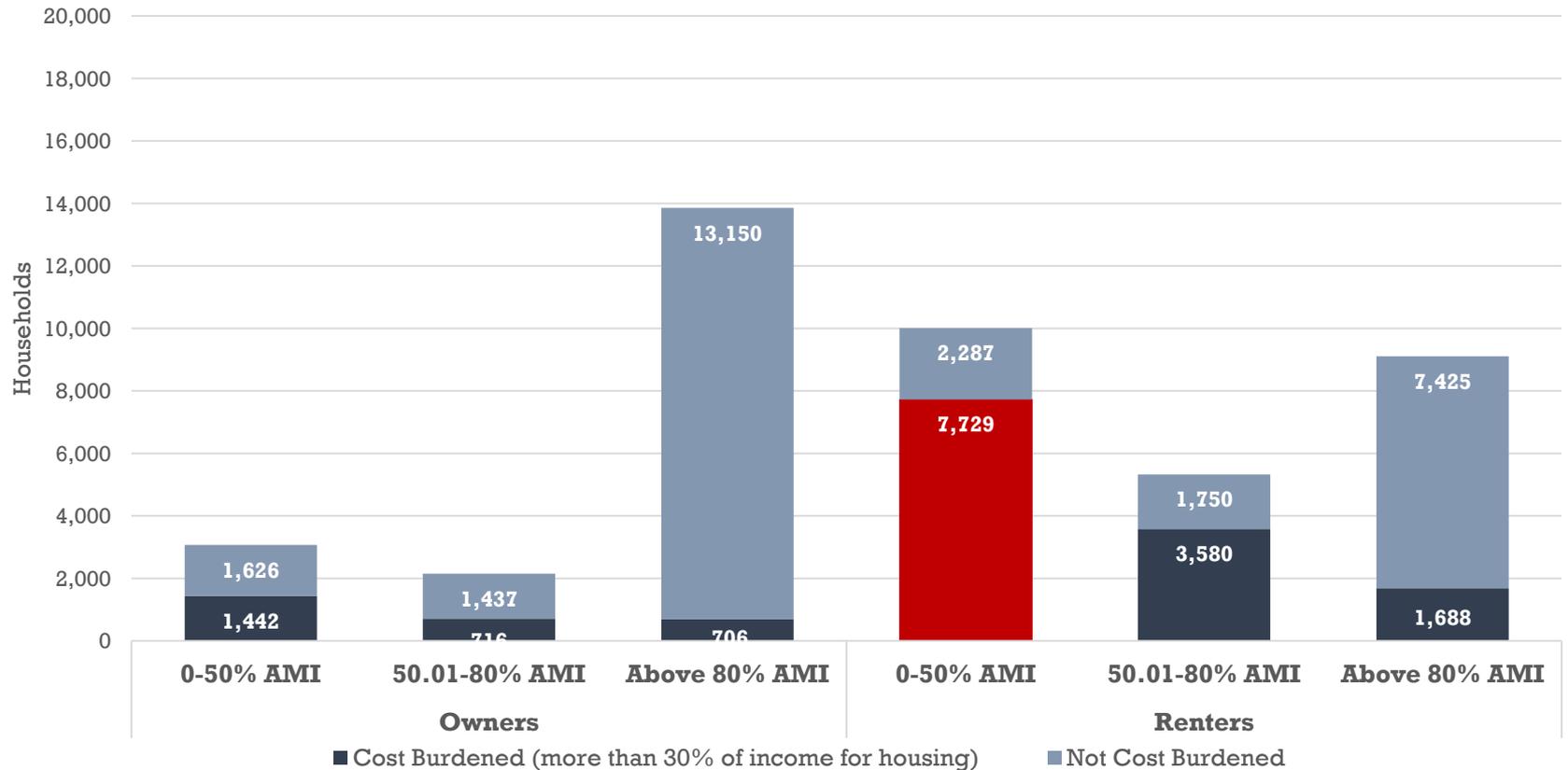
Cost Burdened Households by Income as a Percentage of Area Median Income (AMI), Gainesville, 2016



Source: Shimberg Center analysis of U.S. Census Bureau, 2016 American Community Survey. Results are for Alachua County (Central) – Gainesville City Central Public Use Microdata Area (PUMA), which approximates city limits.

...EVEN WITHOUT COUNTING STUDENTS.

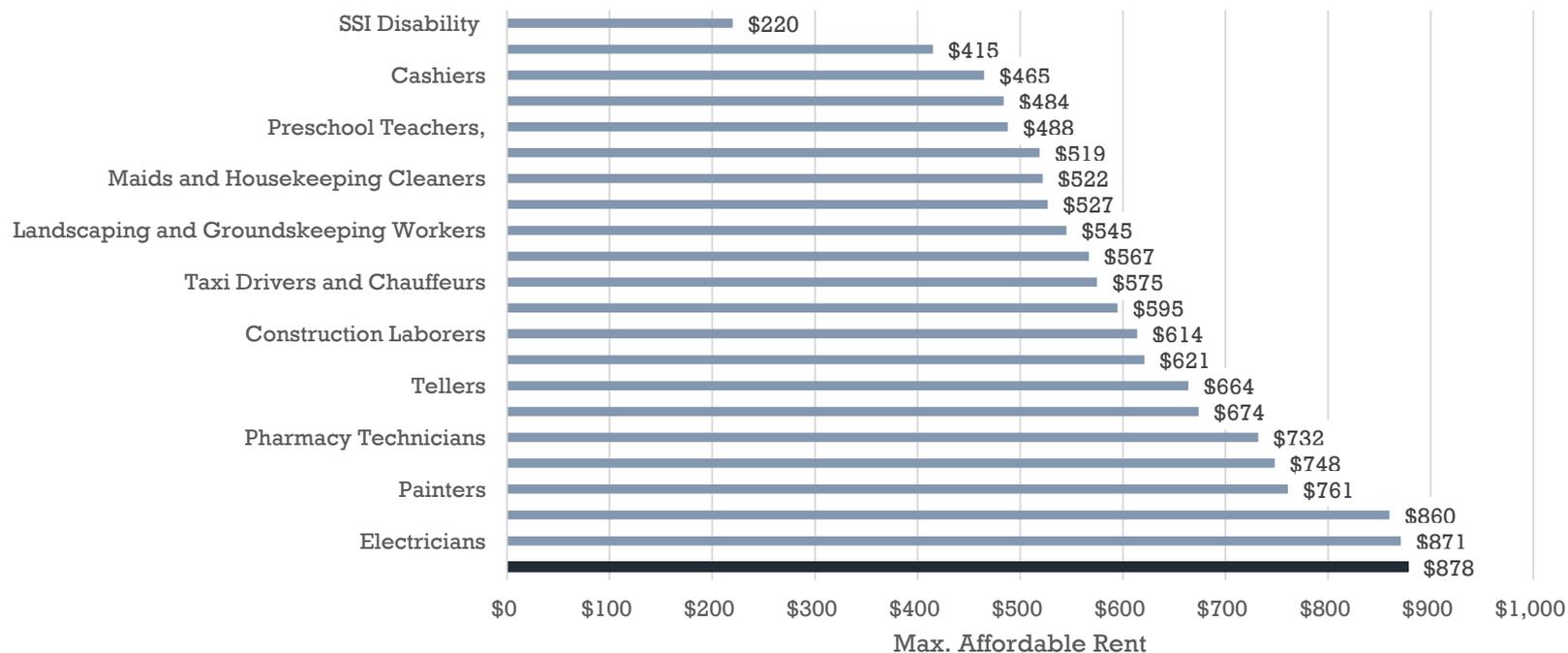
Cost Burdened Households by Income as a Percentage of Area Median Income (AMI), Gainesville, 2016 (Excluding Student-Headed Households)



Source: Shimberg Center analysis of U.S. Census Bureau, 2016 American Community Survey. Results are for Alachua County (Central) – Gainesville City Central Public Use Microdata Area (PUMA), which approximates city limits.

RENTS OUTPACE WAGES FOR MANY OCCUPATIONS IN THE GAINESVILLE METROPOLITAN AREA.

Affordable Rents for Median-Wage Workers vs. 2-Bedroom Fair Market Rent, Gainesville Metropolitan Area, 2017



- Based on median wage for occupation
- Maximum rent = 30% of monthly salary
- Compared to HUD Fair Market Rent for 2-bedroom unit

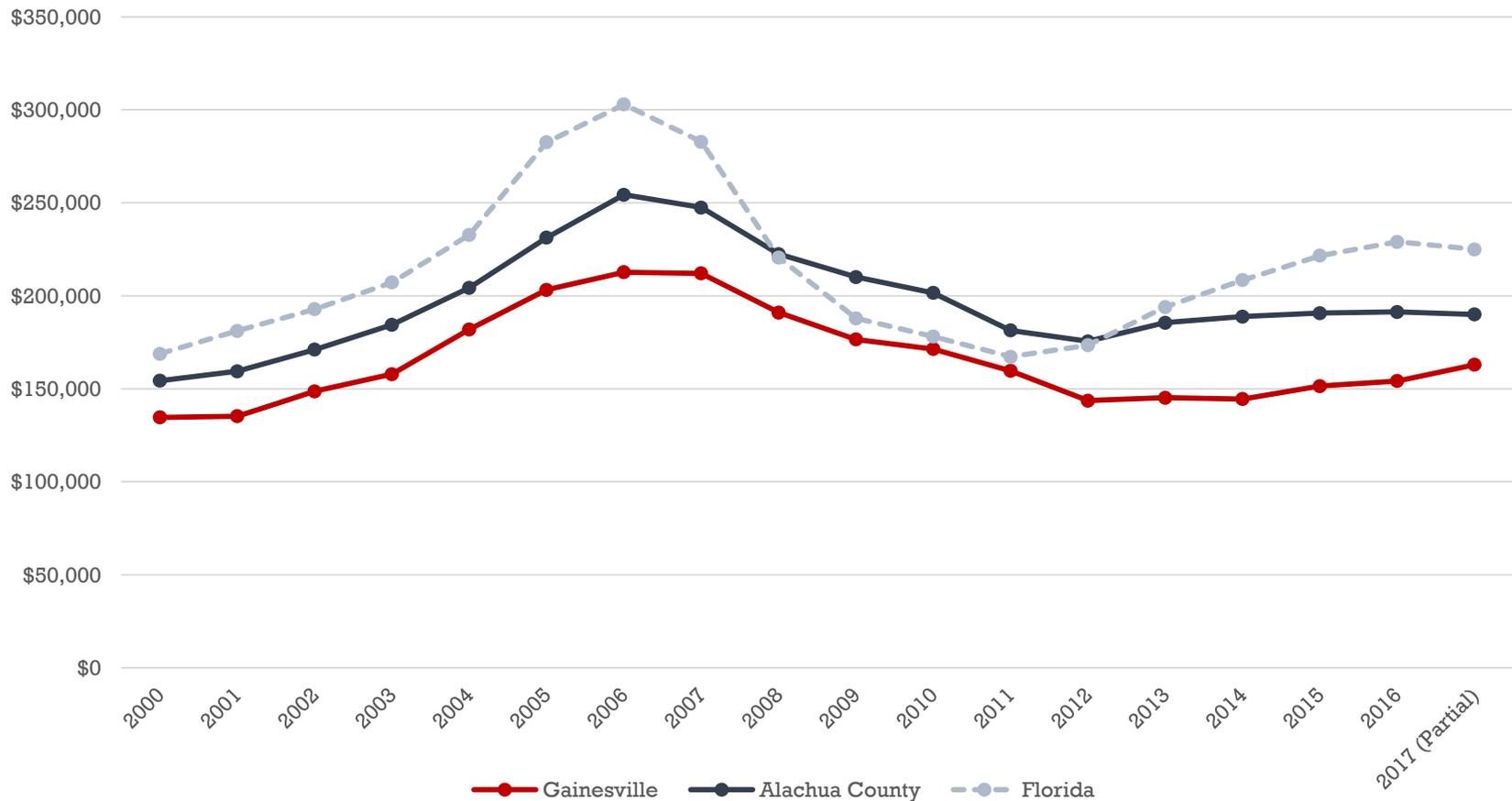
Sources: Florida Agency for Workforce Innovation, 2017 Occupational Employment Statistics and Wages; U.S. Department of Housing and Urban Development, 2017 Fair Market Rents; U.S. Social Security Administration

THE FLORIDA HOUSING COALITION



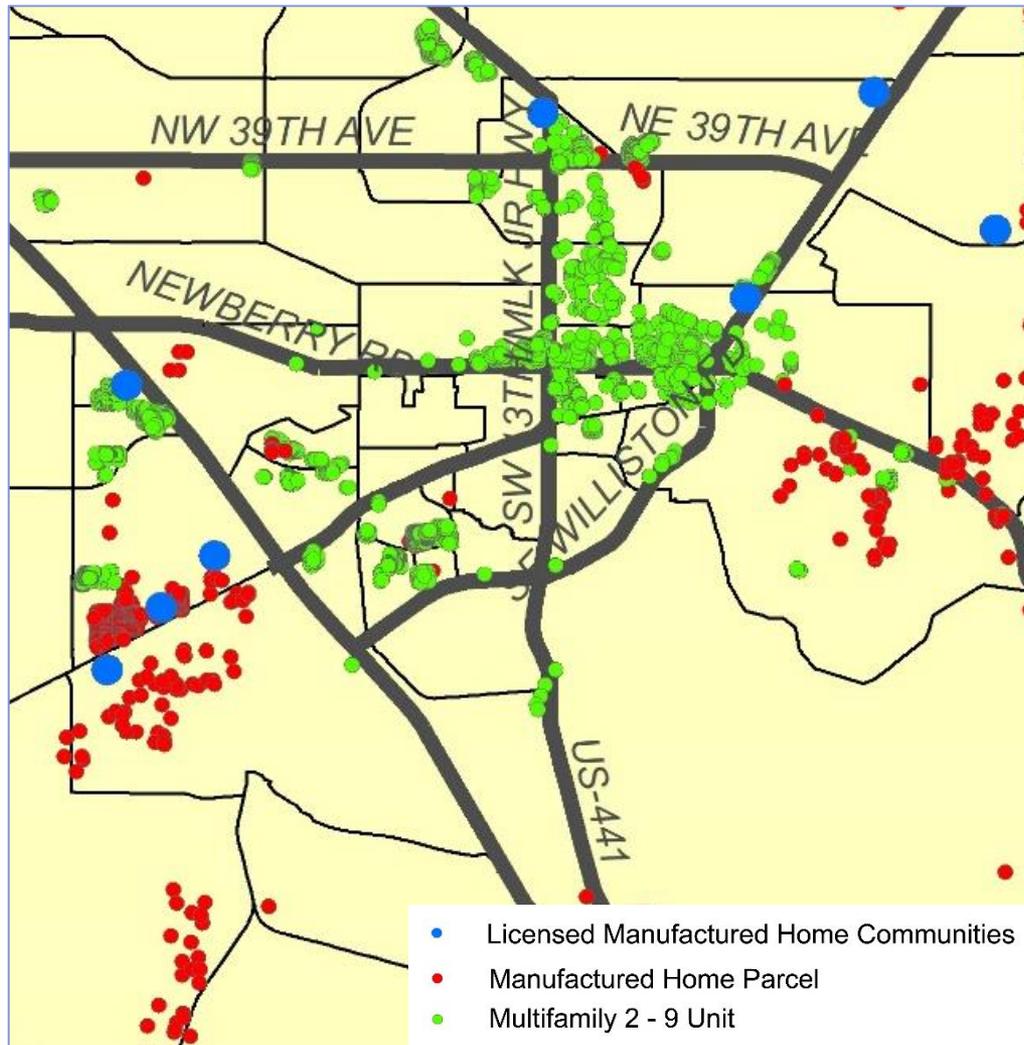
HOME PRICES ARE RELATIVELY AFFORDABLE BUT STILL OUT OF REACH FOR THE LOWEST INCOME HOUSEHOLDS.

Real Median Single Family Sales Price (2017 \$), 2000-2017 (partial)



Source: Shimberg Center analysis of Florida Department of Revenue, Sales Data Files and Name-Address-Legal Files.

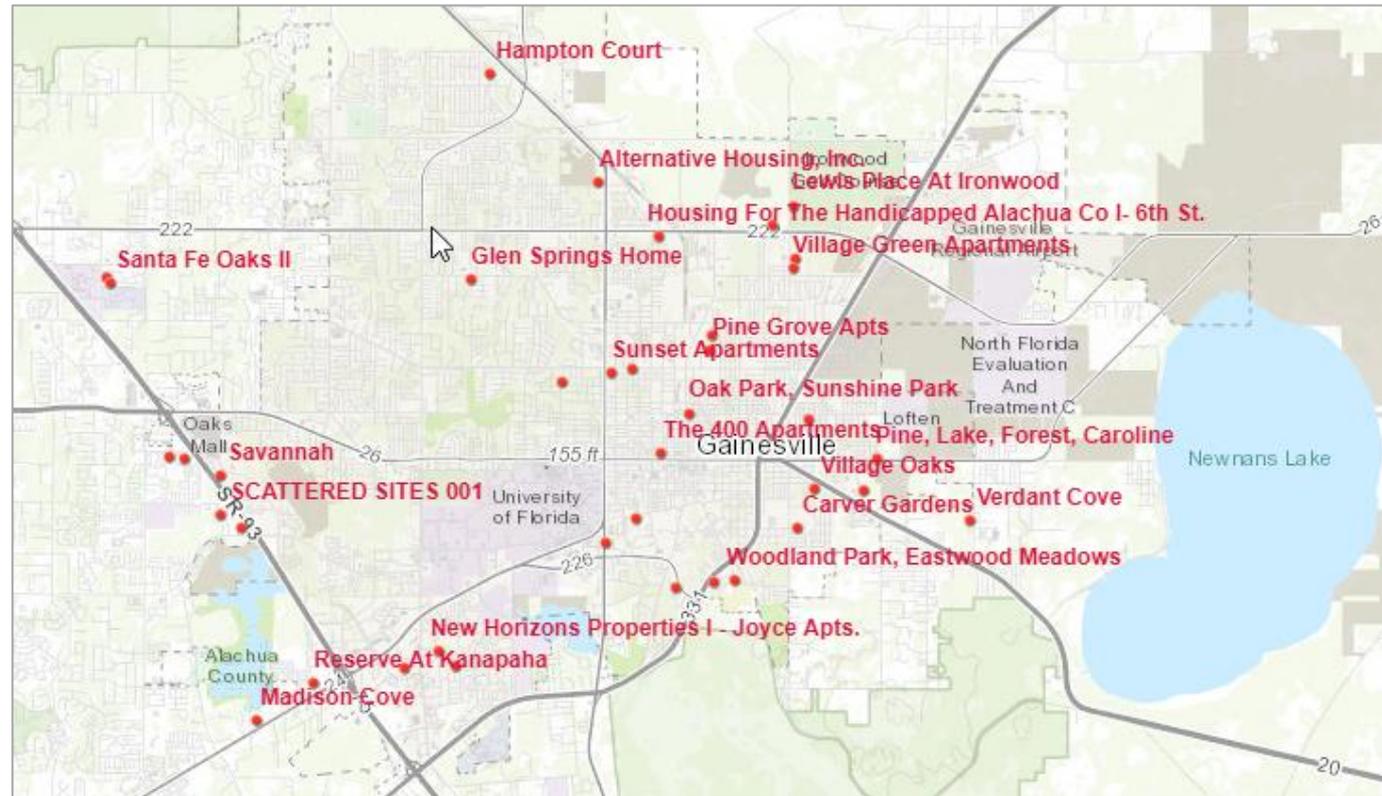
SMALL MULTIFAMILY BUILDINGS PROVIDE NATURALLY OCCURRING AFFORDABLE HOUSING IN CENTRAL LOCATIONS.



- **1,620 2-9 unit properties, mostly duplexes**
- **Urban location**
- **Most built 1970-1989**
- **Lower value (average assessed value \$47/sf compared to \$70/sf for single family)**

ASSISTED AND PUBLIC HOUSING

- Funders
 - Florida Housing Finance Corporation
 - HUD (Multifamily and Public Housing)
 - Local Housing Finance Authority
- 38 developments
- 3,403 affordable units



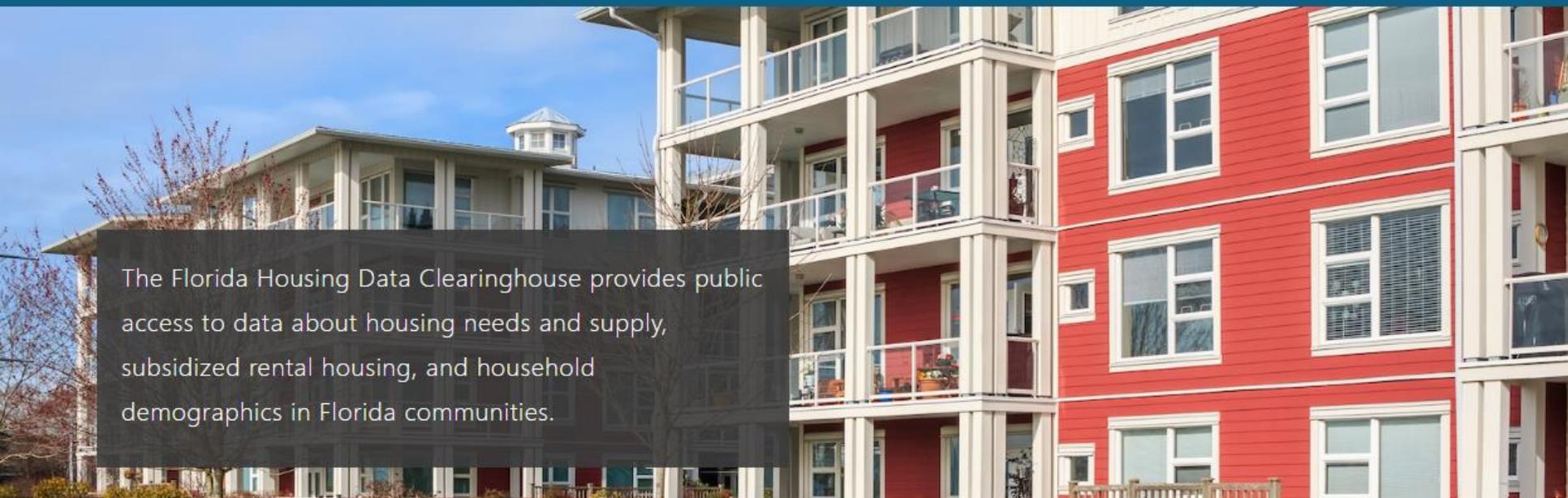
WHO ARE ASSISTED HOUSING RESIDENTS IN GAINESVILLE?

- **Average income: \$16,916 (30% AMI)**
- **Average household size ~2 people**
- **18% elderly**

ASSISTED HOUSING: NEED FOR PRESERVATION

- **6 developments with 525 affordable units lost since 1999**
 - **Expiring subsidies**
 - **Deterioration & default**

- **Older properties in the current inventory may need preservation**
 - **11 developments, 481 units**
 - **Built before 1989**
 - **No additional capital subsidies in last 20 years**



The Florida Housing Data Clearinghouse provides public access to data about housing needs and supply, subsidized rental housing, and household demographics in Florida communities.

Contact: Anne Ray, Shimberg Center for Housing Studies

352-273-1195

aray@ufl.edu

www.shimberg.ufl.edu

data.shimberg.ufl.edu

OVERVIEW OF EXISTING LOCAL HOUSING PROGRAMS

CITY OF GAINESVILLE/ALACHUA COUNTY HOUSING PROGRAMS

PROGRAMS	
Alachua County Department of Community Support Services - Housing Programs Division	City of Gainesville Housing & Community Development
Alachua County – Division of Social Services	Gainesville Housing Authority
Alachua County Housing Authority	Gainesville Housing Development and Management Corporation
Alachua Habitat for Humanity	Neighborhood Housing & Development Corporation
Center for Independent Living of North Central Florida (CILNCF)	Rebuilding Together North Central Florida
Central Florida Community Action Agency, Inc	

IDEAS TO SUPPORT AFFORDABLE HOUSING

PRESENTED BY:

ANDREW PERSONS

CITY OF GAINESVILLE DEPARTMENT OF DOING

&

GLADYS COOK

FLORIDA HOUSING COALITION

THE FLORIDA HOUSING COALITION



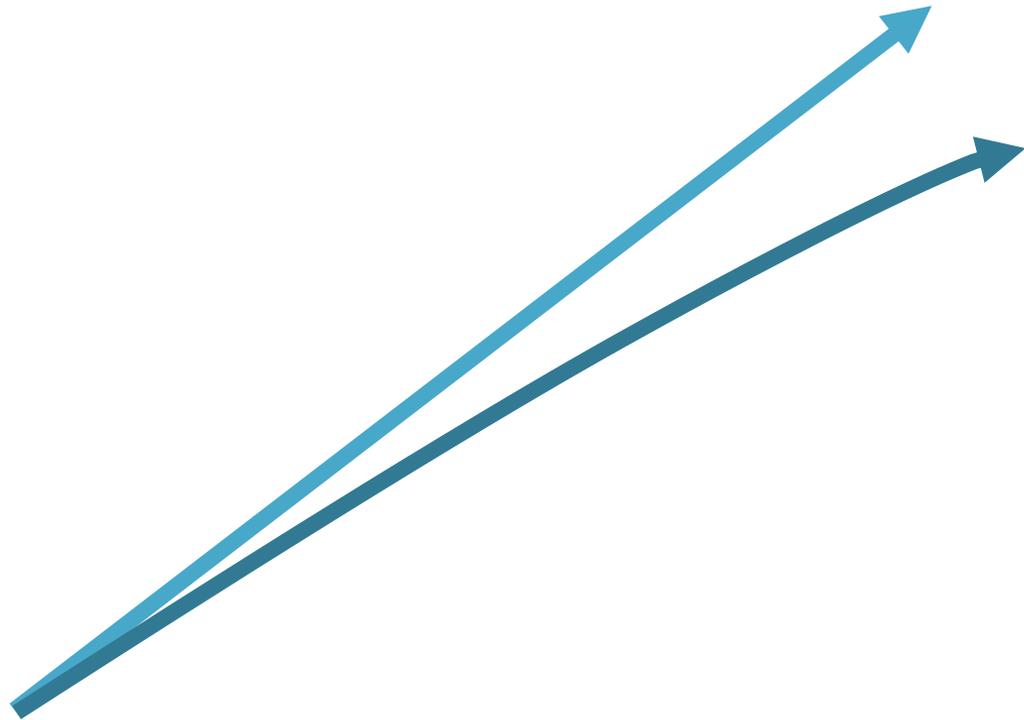


REGULATIONS AND LOCAL FUNDING

PRESENTED BY: ANDREW PERSONS

**BEND THE
CURVE**

Bending the cost of development of affordable housing



**How can we facilitate movement toward a
more efficient and lower-cost affordable
rental housing delivery system?**



COST DRIVERS

What drives costs and why does it matter?

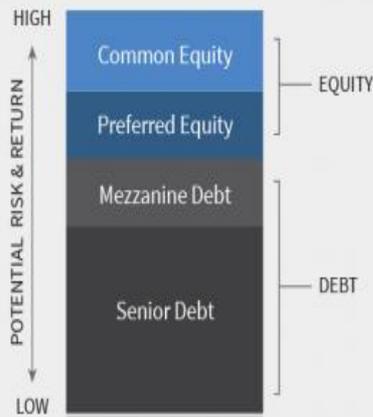
➤ Project scale:

- Fixed project costs regardless of project size
- Smaller projects less economical per unit
- Adding more land vs. Using land more efficiently

➤ Project Design and Construction

- Community concerns
- Site selection and adaptation
- Construction labor
- Unpredictable time frames
- and process
- Small projects are less able to absorb risk

FULL CAPITAL STACK



COST DRIVERS

- **What drives costs and why does it matter?**
- **Finance and underwriting**
 - **Financing complexity**
 - **Investor pool**
 - **Capital availability**
- **State and Local Regulations**
 - **Fees and infrastructure requirements**
 - **Limits on by-right development**
 - **Parking minimums**
 - **Jurisdictional fragmentation**
 - **Overly complex regulatory systems**

RECOMMENDED ACTIONS

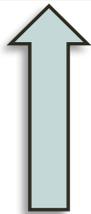
What can we do to help bend the curve?

- 1. Promote cost-effectiveness through consolidation, coordination, and simplification.**
- 2. Remove barriers to reducing construction costs and delays.**
- 3. Facilitate a more efficient deal assembly and development timeline.**
- 4. Improve and align incentives.**
- 5. Improve the flexibility of existing sources of financing and create opportunities for public/private partnerships to better meet needs.**

LAND DEVELOPMENT CODE: NEXT

Proposed topics for further discussion

1 Housing and development <ul style="list-style-type: none">• ADUs• Lot dimensions• Residential infill• Sidewalks• <u>Subdivisions</u>	2 Downtown arts and culture <ul style="list-style-type: none">• Outdoor music venues• Outdoor cafes• Open container• Outdoor recreation	3 Tree ordinance <ul style="list-style-type: none">• Density bonus• Flexible regulations• Incentivize street tree infrastructure	4 Code alignment <ul style="list-style-type: none">• Urban Standards• FDOT standards• CRA standards• GRU design standards	5 Further improvements <ul style="list-style-type: none">• Units vs. bedrooms• Clarity & consistency
---	---	---	---	--

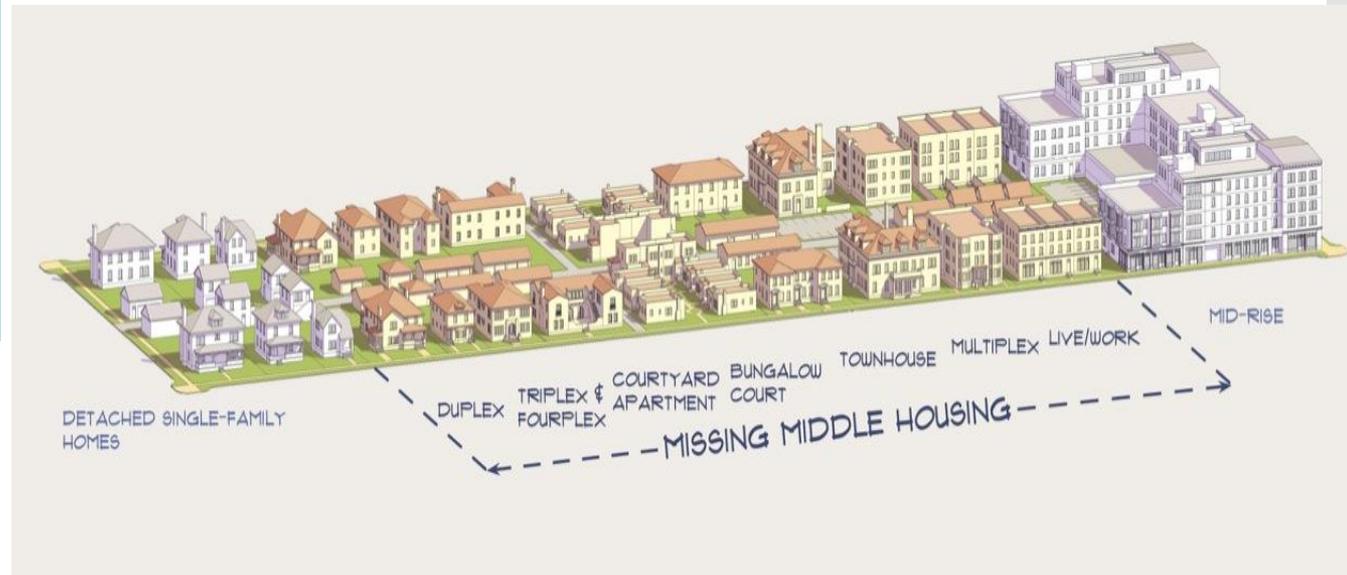


How can we use the Land Development Code to effect positive change and foster more diverse, accessible, and affordable housing in the City?

MISSING MIDDLE HOUSING



- Walkable context
- Small footprints
- Lower perceived density
- Small, well-designed units
- Simple construction
- Community spaces
- Marketable
- Suited for infill
- Often don't fit local codes



HOUSING + DEVELOPMENT

Accessory Dwelling Units (ADUs)

USES	Use Standards	RSF 1 - 4	RC	MH	RMF- 5	RMF 6 - 8
Accessory dwelling units	30-5.33	<u>P</u>	A	A	A	A

- Can be detached/attached
- Owner occupancy required
- Structure 1.5 stories max
- Consistent with architecture of primary structure
- Maximum of 850 square feet
- One parking space per ADU
- Accessory unit setbacks for ADUs (privacy requirements for structures more than one story)
- Non-conforming structures can be converted to ADUs
- Share utilities with primary structure



Recommendations:

Lot dimensions and residential infill

- Ongoing subdivision code rewrite in progress
- How can the subdivision process support the City's goals of infill and housing affordability
- Experience shows that infill lots are more challenging to develop
- New + old ideas need flexibility to work
- Example: Bungalow courts



Recommendations:

Housing options and residential infill

- Where can the City provide flexibility?
- Lot standards (width, depth, minimum lot size, setbacks)
 - Suburban vs. Urban
- Review process and speed
- Street design (paved width, curb design, alternative materials)
 - Low impact design: Less impervious surfaces
- Density and housing diversity
 - Incentives for affordable housing and more housing options
- Tax incentive support allowed by Florida Statutes
- Tree preservation/mitigation
- Flexible parking standards and design
- Utility connection discounts



Cottages at Oak Park Ocean Springs, MS

HOUSING +
DEVELOPMENT

HOUSING + DEVELOPMENT

Housing options and residential infill:

- What are the City's policy goals for development?
- Affordable housing
- Better street and trail connectivity
- Protection and enhancement of natural features
- Tree preservation
- Pedestrian and cyclist comfort and safety
- Recreational opportunities for neighborhoods
- Water conservation and energy efficiency
- Architecture that supports a quality built environment
- Consideration for building compatibility within existing neighborhoods
- Utility improvements

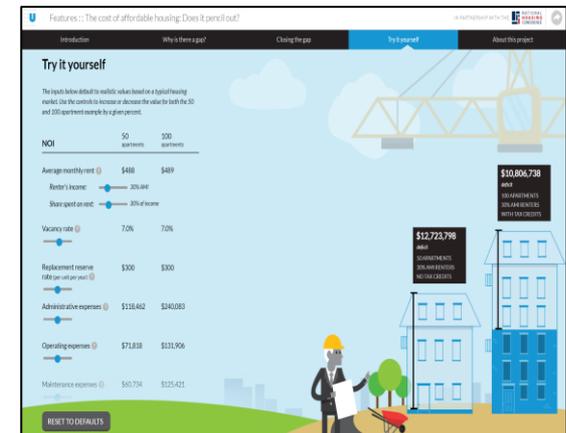
How can we provide flexibility while furthering the policy goals of the citizens of Gainesville?

LOCAL FUNDING

Local funding sources can help to supplement State and Federal programs (Gap Financing)

- Dedicated local funding (Local housing trust fund)
 - Dedicated mil for affordable housing
 - Affordable housing bond
 - Florida Statutes Chapter 125.0167 Discretionary surtax on documents (Housing Assistance Loan Trust Fund)
 - Below-market debt funds (blend of gov. and foundation monies in form of grant or low-interest loans)
 - Public/Private partnerships
- New ideas
 - Crowd funding platforms (Small Change, Facebook, P2P lending)

SMALL CHANGE INDEX™					
MOBILITY		COMMUNITY		ECONOMIC VITALITY	
Urban location	✓	Street life	✓	Underserved community	
Walkable	✓	Third Place	✓	Jobs Created	
Bike friendly		Park or Plaza		Incubator	✓
Business Corridor	✓	Building reuse	✓	Diverse workforce	✓
Public or other transit		Affordable housing	✓	Green features	✓
Fix your own transport	✓	Fresh food access	✓	Even more green	✓
Transit oriented development		Minimized site disturbance	✓	Reduced parking	



LOCAL FUNDING

Why local?

- Erosion of Federal and State funding
- Local funds can help bridge gaps in project funding or help projects qualify for other funding sources
- Affordable housing finance relies on multiple funding sources
- Local funds can be more flexible and reflect local priorities
- Success will require combo of funding sources, flexible regulations, and partnerships



Lori Jones and her boyfriend, Kim Kenney, pose for a picture outside their tent at Castaways RV Park, at Father Tony Way & Avenue C in Big Pine Key on Friday, Dec. 8, 2017. Lori and Kim have been living in a tent next to their trailer that was destroyed by a fire. Photo by David Santiago.

STATE POLITICS

Will there be another raid on affordable housing funds? House says yes.



TOOLS TO PRODUCE AND PRESERVE AFFORDABLE HOUSING

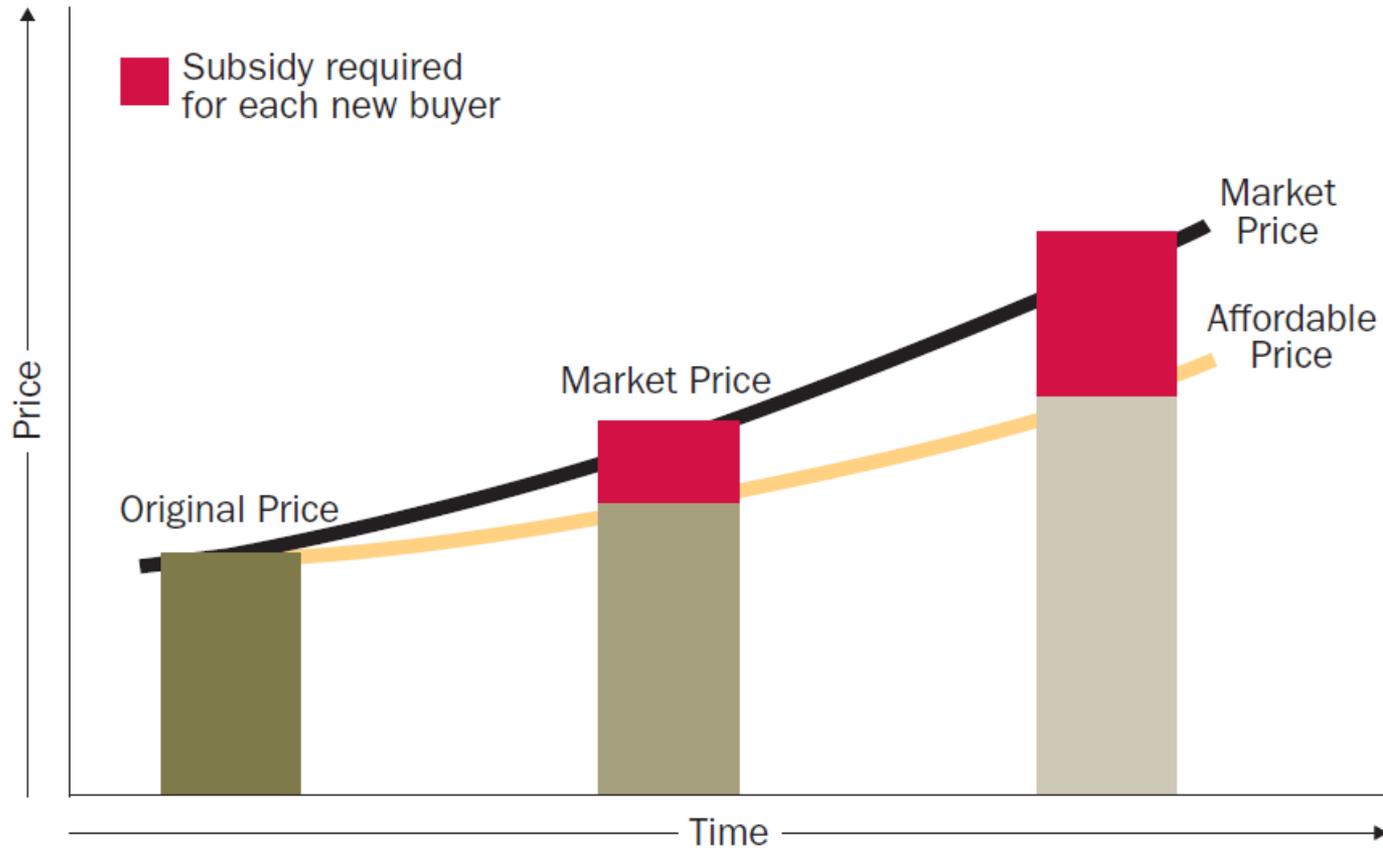
PRESENTED BY: GLADYS COOK

THE FLORIDA HOUSING COALITION



FIGURE 2a

In Markets Where Home Prices Outpace Incomes, the Affordability Gap Continues to Grow...



Source: Rick Jacobus

COMMUNITY LAND TRUSTS

- **A vehicle to separate ownership of land from ownership of the improvements on the land.**
- **A nonprofit entity holds title to the land and conveys the improvements together with a 99-year ground lease.**
- **The ground lease includes restrictions on use and resale, which ensure the improvements continue to be affordable to subsequent owners in perpetuity.**

COMMUNITY LAND TRUSTS: KEY PROVISIONS OF THE GROUND LEASE

- **Income eligibility requirements**
- **Use and resale restrictions**
- **Rental rate restrictions**
- **Taxes**
- **Inheritance**
- **Resale Formulas**
 - **Shared Appreciation**
 - **Indexes**

COMMUNITY LAND TRUSTS: KEY BENEFITS FOR THE PUBLIC

- **Subsidy is retained through re-sale restrictions**
- **Permanent stock of affordable housing is created**
- **A nonprofit entity is providing stewardship**

COMMUNITY LAND TRUSTS: FOR-SALE UNITS

- A nonprofit entity (the CLT) acquires and retains ownership of land for the benefit of the community.
- The CLT sells the improvements (the home) to an income-eligible family.
- The income-eligible family owns the home, and leases the land from the CLT under a 99-year lease agreement.
- The 99-year lease includes restrictions that require re-sale only to another income-eligible family at below market appreciated sale price.

COMMUNITY LAND TRUSTS: BENEFITS TO HOME BUYER

- The home is now affordable because the purchase price does not include the price of the land.
- Owning the home means:
 - Mortgage payments instead of rent payments
 - Return of equity upon resale
 - Mortgage interest payments are tax deductible
 - Financial stability— able to save without fear of rent increases or loss of housing

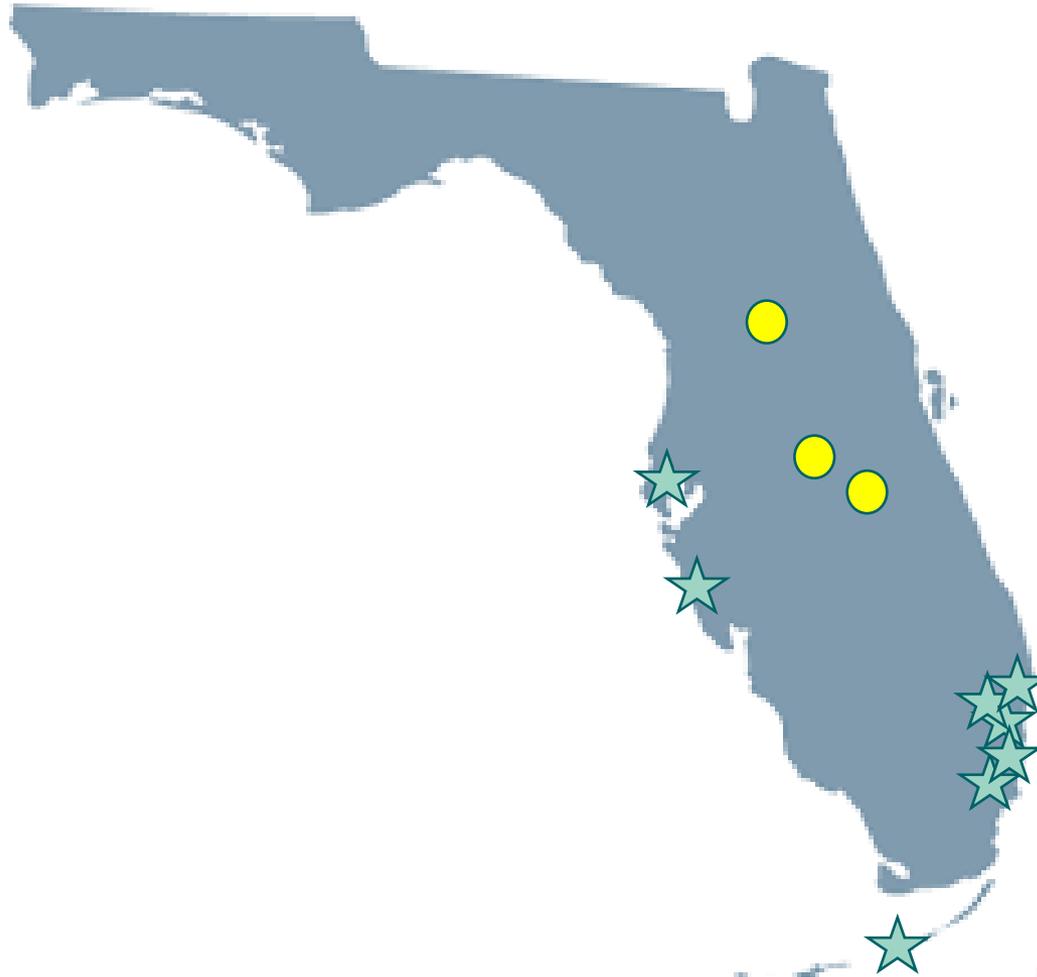
COMMUNITY LAND TRUSTS: RENTAL UNITS

- A nonprofit entity (the CLT) acquires and retains ownership of land for the benefit of the community.
- The CLT or owner of the improvements (the rental units) leases to income-eligible families.
- If the owner is not the CLT, the owner of the rental units leases the land from the CLT under a 99-year lease agreement.
- The 99-year lease requires leasing of the rental units only to income-eligible families at below market rents and includes restrictions on the transfer of ownership

COMMUNITY LAND TRUSTS: BENEFITS TO RENTERS

- The rental unit is now affordable because the owner's purchase price did not include the price of the land.
- The rent is maintained at below market rate.

COMMUNITY LAND TRUSTS IN FLORIDA



THE FLORIDA HOUSING COALITION



INCLUSIONARY HOUSING

A local land use regulation (planning tool) that requires the market rate housing developer to include a percentage of affordable housing within the market rate development

INCLUSIONARY HOUSING

- Usually triggered by a request for a land use and/or zoning change that increases the value of the land
- Portion of the increased value “captured” to create affordable housing that otherwise would not be created
- Developers maintain same profit and community gets benefit

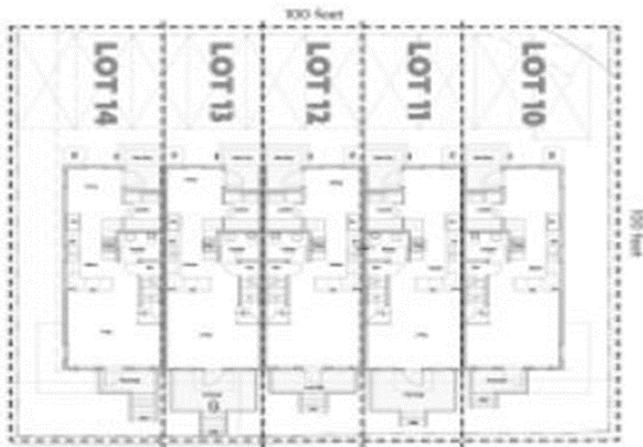
INCLUSIONARY HOUSING

INCLUSIONARY HOUSING

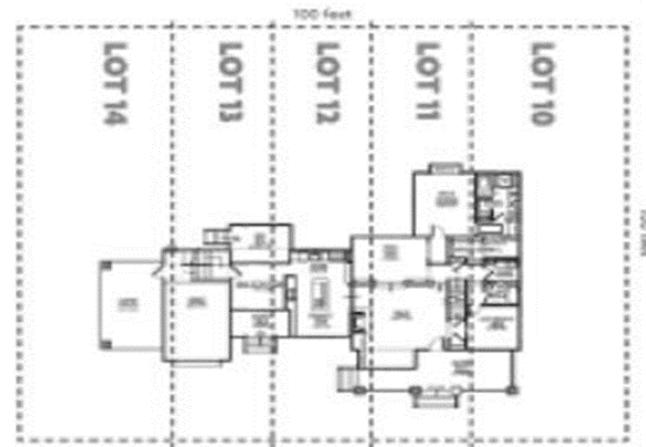
ESTATE HOME



K2 - INCLUSIONARY HOUSING
TALLAHASSEE, FLORIDA



5 inclusionary lots on 1/4 acre



1 estate lot on 1/4 acre

THE FLORIDA HOUSING COALITION



ADVANTAGES AND BENEFITS

- **Creates communities of opportunity**
- **Improves economic sustainability**
- **May not require public subsidy**



ISSUES AND CHALLENGES

- **Opposition from developers and the community**
- **Additional program administration costs**
- **Difficulty reaching very-low and extremely-low income without additional subsidy**



BEST PRACTICES FOR INCLUSIONARY HOUSING

- Needs to have long term or perpetual affordability
- Needs to create as little burden on market rate developer as possible - local government should provide income compliance assistance

INCLUSIONARY HOUSING IN FLORIDA



LINKAGE FEES

- **Commercial and high-end market rate residential development increase the need for employment of low wage workers**
- **Linkage fees collect monies to use in building affordable housing**
- **Linkage fees set to balance between funding needed to meet affordable needs and ensuring development remains financially feasible**

LINKAGE FEES

- Linkage fees are generally charged on a per square foot basis.
- Rates vary from less than \$1 per square foot to upwards of \$25 per square foot.
- Fees are usually paid upfront at permitting.

HOW TO ESTABLISH LINKAGE FEES

- **Nexus and Feasibility Studies**
- **Implementation Plan**
- **Adoption**

SURPLUS LANDS

What is “surplus land?”

Government-owned property that is obsolete, or the continued use of which is uneconomical or inefficient, or that serves no useful function. The government, in its discretion, may classify property as surplus, and may offer surplus property to other governmental units for sale or donation, or may offer the property to private nonprofit agencies.

§274.05, Fla. Stat.

SURPLUS LANDS

How is surplus land made available for affordable housing?

Every 3 years since July 2007, each Florida county and city must prepare an inventory list of all real property owned within its jurisdiction that is affordable for use as affordable housing.

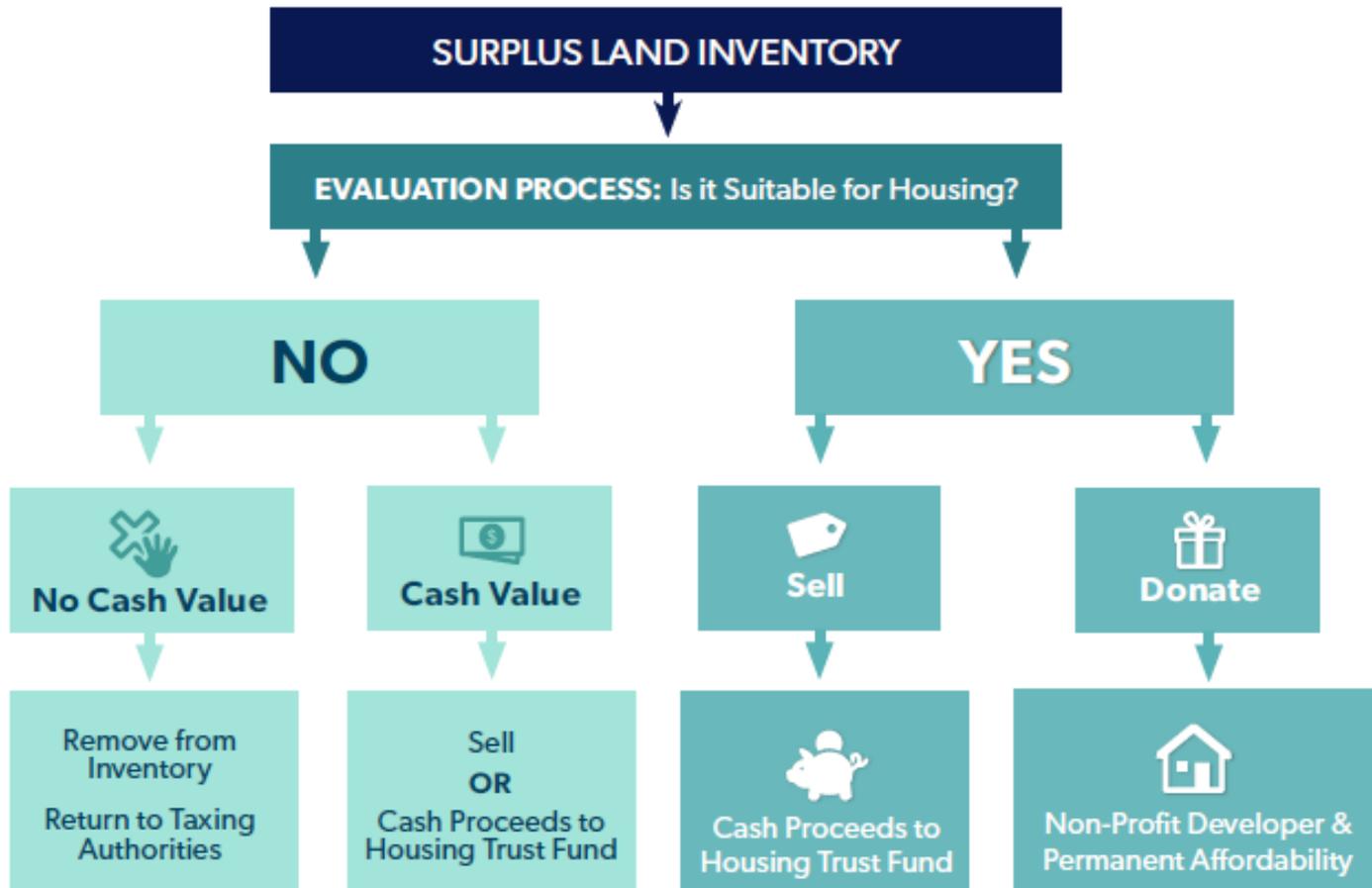
§125.379, Fla. Stat.
(Counties)

§166.0451, Fla. Stat.
(Cities)

HOW IS SURPLUS LAND MADE AVAILABLE FOR AFFORDABLE HOUSING?

- The properties on the inventory list may be...
- offered for sale and the proceeds used to purchase land for development of affordable housing, or to increase the local government fund earmarked for affordable housing;
- sold with a restriction that requires development of the property as permanent affordable housing;
- donated to a nonprofit housing organization for the construction of permanent affordable housing;
- otherwise made available for production and preservation of permanent affordable housing.
 - §125.379, Fla. Stat. (Counties)
 - §166.0451, Fla. Stat. (Cities)

HOW IS SURPLUS LAND MADE AVAILABLE FOR AFFORDABLE HOUSING?



SURPLUS LANDS

How is surplus land determined to be “appropriate for affordable housing?”

- **Evaluate:**
- **Environmental issues**
- **Site characteristics**
- **Land use and zoning**
- **Infrastructure**
- **Proximity to services**

SURPLUS LANDS

How do nonprofit housing organizations learn about surplus lands that are available?

- **The inventory list must include the address and legal description of each property, and specify whether it is vacant or improved.**
- **The county or city must review the inventory list at a public hearing and adopt it by following the public hearing.**

§125.379, Fla. Stat. (Counties)

§166.0451, Fla. Stat. (Cities)

SURPLUS LANDS

How do nonprofit housing organizations learn about surplus lands that are available?

ASK YOUR LOCAL GOVERNMENT...

Although the inventory list must be adopted in a public hearing, there is no consistent method among Florida counties and cities for making the list of available properties accessible to the public.

FUNDING STRATEGIES

- **Ensure SHIP programs are focused yet flexible**
- **Consider adding mobile homes to eligible rehab properties**
- **Participate in Florida Housing Finance Corporation RFA's**
- **Work with Public Housing Authorities**
- **Local Government Contribution to LIHTC**

LOW INCOME HOUSING TAX CREDITS (HC)

- **Allocating agency – Florida Housing Finance Corporation**
- **Largest source of funding for rental development in the state**
- **Awarded to developers of affordable Multifamily rental**
- **Dollar for dollar reduction in federal tax liability**
- **Credits are “sold” to corporations to reduce their tax liability through syndication to become equity investments used to finance affordable rental units**



LOW INCOME HOUSING TAX CREDITS (HC) – 9% CREDIT EXAMPLE

- **\$11,000,000 total development cost (TDC)**
- **\$1,000,000 land and other ineligible costs**
- **100% of units are low income**
- **[\$10,000,000 eligible basis] X [.09 tax credit]
X [100% low income] = \$900,000 credit request X
[10 years] X [\$0.95 syndication rate]**
- **= \$ 8,550,000 or 78% of TDC**
- **Gap of \$2,450,000**

OTHER PROGRAM STRATEGIES

- **Property tax levy**
- **Infrastructure surtax**
 - **Example: Pinellas County's Land Assembly Program funded by Penny for Pinellas funds**
- **Robust Incentive Strategies in LHAP**
- **Support Housing Counseling Programs**

LET'S TAKE A BREAK!

CITY COMMISSION DISCUSSION

FACILITATED BY: FLORIDA HOUSING COALITION

THE FLORIDA HOUSING COALITION



CITY COMMISSION DISCUSSION

- We ask that the City Commission please join us in an open discussion on the affordable housing ideas presented in the previous segment.
- Please tell us:
 - Your opinion on the ideas, strategies, or tools that you feel will best support affordable housing efforts in the City of Gainesville.
 - What you feel are the benefits or challenges in implementing or accomplishing affordable housing ideas, strategies, or tools.
 - In your opinion, what is the goal of today's housing forum?

LET'S EAT!



OPEN PUBLIC DISCUSSION

FACILITATED BY: FLORIDA HOUSING COALITION

THE FLORIDA HOUSING COALITION



PUBLIC DISCUSSION

- **We would like to take this opportunity to solicit input from the public on affordable housing in the City of Gainesville.**
 - **Please be sure comments are in the spirit of today's topic of affordable housing.**
 - **Please be courteous in expressing your opinion.**
 - **Please respect time limits so that others can provide input within the time we have for this segment.**

PRIORITIZE STRATEGIES & DISCUSS NEXT STEPS

FACILITATED BY: FLORIDA HOUSING COALITION

THE FLORIDA HOUSING COALITION



PRIORITIZE STRATEGIES

- **Now that we have heard Gainesville's affordable housing needs and identified potential strategies it is important to prioritize.**
 - **Consider strategies that will have the highest impact in addressing need.**
 - **Consider capacity to implement strategy.**
 - **Consider resources needed to achieve strategy.**

NEXT STEPS

- **What's next?**
 - **Continue strategic planning meetings.**
 - **Develop a strategic plan or action plan.**
 - **Consider agency/department coordination in carrying out affordable housing strategies.**
 - **Encourage community engagement when implementing strategies.**

Thank you for participating!!!

You can contact the Florida Housing Coalition at:

**1367 E. LAFAYETTE STREET, SUITE C
TALLAHASSEE, FL, 32301
PHONE: (850) 878-4219
FAX: (850) 942-6312**