

The EAR: Affordable/Workforce Housing





Topics to Cover

- Recent Legislation- HB 1375
- Workforce Housing Definitions and Programs
- Coordinating the Housing Element with Housing
- Writing a Better Housing Element
- Q and A





HB 1375

- **SHIP communities must re-activate and expand Advisory Committees**
- **Committees must submit initial report and tri-annual reports**
- **Including “recommendations to amend the local government comprehensive plan and regs.. and other policies.”**



Reports are intended to Evaluate Implementation of Incentive Plans

- A. Expedited permitting
- B. Modification of impact fee requirements
- C. Flexibility in densities
- D. Reservation of infrastructure capacity for vl, l, and moderate income
- E. Allowance of affordable accessory dwellings
- F. Reduction of parking and setback requirements





Continuation...Incentive Plans

- **G. Flexible lot configurations- including zero lot line**
- **H. Modification of street requirements**
- **I. Regulatory review process -ongoing**
- **J. Printed inventory of locally owned public lands suitable for affordable housing- since 2006**
- **K. Support of development near transportation hubs near major employment centers and mixed use developments.**



Implementation of Recommendations

- Local government **MUST** consider report
- Planning or Housing staff **MUST** assist to ensure integration of committee work



Data Collection and Analysis

- Shimberg Center- cost burden analysis based on Census data etc.
- Market Data- Tax Collector
- Workforce data- www.pricedoutreport.org
- Rental priced out data- www.nlihc.org- Priced Out Report



Shimberg Center Data

- **Affordable Housing Data Center-
<http://flhousingdata.shimberg.ufl.edu/>**
- **Preparation of area specific needs assessments**
- **Based on Census Data and Analysis**



Cost Burden

- Cost Burden- paying over 30% of income on housing
- Severe Cost burden- paying over 50% of income on housing
- Provides estimates of number of cost burdened renter or owner households by area plus
- Projections



Income Variation

- To target assistance, data is provided by household by percent of area median income
- Data is provided by income level, owner or renter and
- Projections are provided to 2030
- Also provides data for Prime Renter and Owner- renters age 15-34 and owners 35 to 64



What about the market?

- Cost burden needs are a start but to target programs and identify construction need market data is useful
- Identify sales of homes that are affordable to certain income levels
- Calculate percentage of market available to certain income levels
- Calculate Affordability



Priced Out Report

- Ownership by Employment-
www.pricedoutreport.org
- Rental burdens by income
www.nlihc.org
- Provides affordability price points by community



Income vs. Market Prices

- **Workforce can no longer afford housing**
- **Housing costs exceed 50% for 25% of population in some areas**
- **Workers must work 50 and 60 hours to afford market rate rents**
- **Foreclosure rate is skyrocketing**





Change in Market

Year	Median Income	No. of Single Family Sales	% of single Family sales affordable to family earning 70 % of Median	% of single Family sales affordable to family earning 100% of Median	No. of Condo sales	% of all sales affordable to family earning 70% of Median	% of all sales affordable to family earning 100% of Median
2000	\$49,600	2495	65%	83%	536	62%	80%
2006	\$54,600	6750	10%	15%	1313	9%	15%



Price Points

Assumptions for amount of subsidy needed to buy a unit priced at \$165K

Taxes (annual)	\$2,881
Insurance (annual)	\$1,402
Interest	6.50%
Monthly Debt	\$300
Front and Back Ratios	31% and 41%
Down payment	\$1,000

Income for St. Lucie	MFI	Mortgage Amount	Subsidy Needed
21,840	40%	14,116	149,884
32,760	60%	73,144	98,556
38,230	70%	99,773	64,227
43,700	80%	122,129	41,871
54,600	100%	166,678	0





A Workforce Perspective

- CWHIP- Community Workforce Housing Initiatives Pilot
- HB 1363 2006, HB 1375 2007
- Defines income level- up to 140% of area median (certain counties)
- \$50 million 2006, \$70 million 2007
- Requires partnership and definition of essential service worker



Employer Assisted Housing

- A partnership between local government and employers
- Direction of programs and assistance to employer assistance programs
- Coordination of housing programs with employers- who don't want to be housing providers
- Funding, incubation, assistance



CHWIP and Planning

- Plan amendments outside of cycle
- Can reserve infrastructure
- Can defer or waive impact fees
- Proximity to employment centers a focus
- Proximity to transit a focus



Housing Costs to the Homebuyer

Single Family Home Budget	Cost	% Regulatory	\$ Regulatory	Explanation
<i>Hard Costs</i>				
Bricks and Sticks-vertical	\$ 95,000.00	0.2	\$ 19,000.00	Builder contract- codes, licensing
Site Prep	\$ 12,500.00	0.25	\$ 3,125.00	clearing, fill, grading, culvert, driveway, landscaping
Infrastructure	\$ 7,000.00	0.4	\$ 2,800.00	well and septic or hookup fees
<i>Soft Costs</i>				
Architect/engineer	\$ 2,500.00	0.2	\$ 500.00	drawings of house, site engineering
Survey	\$ 350.00	0.1	\$ 35.00	boundary and flood elevation
Rezoning or variance	\$ 2,500.00	1	\$ 2,500.00	In some cases
Permits and inspections	\$ 1,400.00	1	\$ 1,400.00	application fee and inspections
Impact fees	\$ 17,000.00	1	\$ 17,000.00	roads, parks, schools, ems, fire etc.
Builders Risk	\$ 400.00	0	\$ -	construction period
Environmental-soil	\$ 1,600.00	0.5	\$ 800.00	or mitigation for tortoise etc.
<i>Closing, financial and marketing</i>				
Interest and lender fees	\$ 3,500.00	0	\$ -	financing fees- construction loan and conversion to permanent
Appraisal	\$ 400.00	0	\$ -	for mortgage
Developer fee	\$ 7,000.00	0	\$ -	overhead and profit for developer or builder
Marketing	\$ 500.00	0	\$ -	or administrative
Legal	\$ 250.00	0	\$ -	closing
Title insurance	\$ 900.00	0	\$ -	closing
Insurance escrow	\$ 2,200.00	0	\$ -	closing
<i>Land</i>				
Land	\$ 45,000.00	0	\$ -	acquisition and purchase costs
Total Cost	\$ 155,000.00	0.304258065	\$ 47,160.00	
Market Price	\$ 325,000.00	Percent of total cost that is attributable to regulatory costs		
Regulatory cost per unit	\$ 47,160.00			
Cost per unit	\$ 155,000.00			
Monthly payment regulatory at 6.6% for 30 years	\$ 293.78			
Total cost over 30 years	\$ 105,761.90			



Housing Costs to the Renter

Multi-family project 60 units	Cost	% Regulatory	\$ Regulatory	Explanation
<i>Hard Costs</i>				
Bricks and Sticks-vertical	\$ 4,000,000.00	0.2	\$ 800,000.00	Builder contract- codes, licensing
Site Prep	\$ 375,000.00	0.25	\$ 93,750.00	clearing, fill, grading, culvert, driveway, landscaping
Infrastructure	\$ 95,000.00	0.4	\$ 38,000.00	well and septic or hookup fees
<i>Soft Costs</i>				
Architect/engineer	\$ 110,000.00	0.3	\$ 33,000.00	drawings of house, site engineering
Survey	\$ 7,500.00	0.1	\$ 750.00	boundary and flood elevation
Rezoning or variance	\$ 3,500.00	1	\$ 3,500.00	In some cases
Permits, development order	\$ 12,000.00	1	\$ 12,000.00	application fee and inspections
Impact fees	\$ 120,000.00	1	\$ 120,000.00	roads, parks, schools, ems, fire etc.
Builders Risk	\$ 4,500.00	0.1	\$ 450.00	construction period
Environmental-soil	\$ 15,000.00	0.5	\$ 7,500.00	or mitigation for tortoises etc.
<i>Closing, financial and marketing</i>				
Interest and lender fees	\$ 50,000.00	0	\$ -	financing fees- construction loan and conversion to permanent
Developer fee	\$ 450,000.00	0	\$ -	overhead and profit for developer or builder
Marketing	\$ 7,500.00	0	\$ -	or administrative
Legal	\$ 18,000.00	0	\$ -	closing
Appraisal	\$ 10,000.00	0	\$ -	for mortgage
Title insurance	\$ 90,000.00	0	\$ -	closing
Insurance	\$ 80,000.00	0	\$ -	closing
<i>Land</i>				
Land	\$ 400,000.00	0	\$ -	acquisition and purchase costs
Total Cost	\$ 5,448,000.00	0.20	\$ 1,108,950.00	
Market Price @ 220,000	\$ 13,200,000.00			Percent of total cost that is attributable to regulatory costs
Regulatory cost per unit	\$ 18,482.50			
Cost per unit	\$ 90,800.00			
Regulatory cost per unit over 15 years at 6.6%				
interest	157.79			

Housing Costs to the Subdivision Home Buyer

39 unit single family subdivision	Cost	% Regulatory	\$ Regulatory	Explanation
<i>Hard Costs</i>				
Bricks and Sticks-vertical	\$ 4,059,900.00	0.2	\$ 811,980.00	Builder contract- codes, licensing
Streets and infrastructure	\$ 2,925,000.00	0.2	\$ 585,000.00	Rights of way and sidewalks, water and sewer
Site Prep	\$ 468,000.00	0.25	\$ 117,000.00	clearing, fill, grading, culvert, driveway, landscaping
Infrastructure	\$ 257,400.00	0.4	\$ 102,960.00	well and septic or hookup fees
<i>Soft Costs</i>				
Architect/engineer	\$ 15,015.00	0.3	\$ 4,504.50	drawings of house, site engineering
Survey	\$ 54,600.00	0.1	\$ 5,460.00	boundary and flood elevation
Rezoning or variance	\$ 97,500.00	1	\$ 97,500.00	In some cases
Permits, development order	\$ 487,500.00	1	\$ 487,500.00	application fee and inspections
Impact fees	\$ 284,700.00	1	\$ 284,700.00	roads, parks, schools, ems, fire etc.
Builders Risk	\$ 15,600.00	0.1	\$ 1,560.00	construction period
Environmental-soil	\$ 58,500.00	0.5	\$ 29,250.00	or mitigation for tortoise etc.
<i>Closing, financial and marketing</i>				
Interest and lender fees	\$ 166,686.00	0	\$ -	financing fees- construction loan and conversion to permanent
Developer fee	\$ 292,500.00	0	\$ -	overhead and profit for developer or builder
Marketing	\$ 3,900.00	0	\$ -	or administrative
Legal	\$ 25,350.00	0	\$ -	closing
Appraisal	\$ 13,650.00	0	\$ -	for mortgage
Title insurance	\$ 23,400.00	0	\$ -	closing
Accounting	\$ 39,000.00			
Insurance	\$ 3,510.00	0	\$ -	closing
<i>Land</i>				
Land	\$ 702,000.00	0	\$ -	acquisition and purchase costs
Total Cost	\$ 9,291,711.00	0.27	\$ 2,527,414.50	
Market Price @ 295,0000	\$ 13,200,000.00			Percent of total cost that is attributable to regulatory costs
Regulatory cost per unit	\$ 42,123.58			
Cost per unit	\$ 154,861.85			
Monthly Regulatory cost per unit over 30 years at 6.6% interest	\$ 268.24			



The Cost of Commuting

- Commute times add to the cost of housing
- Commuting is a housing cost
 - Travel Expenses
 - Time Expenses
- Commuting increases housing costs to 45% up from 30% (Fannie Mae)
- Vehicle Operation and Maintenance
- Public Cost for Infrastructure





The Cost of Parking

- **“Free Parking” isn’t free**
 - **Wasted land**
 - **Increased Auto Use**
 - **Increased Cost to Develop**
- **Ways to Curb Cost of Parking**
 - **Revise minimum standards**
 - **Unbundle the cost- have options**
 - **Incentives for Mass Transit**
 - **Shared Parking among developments**

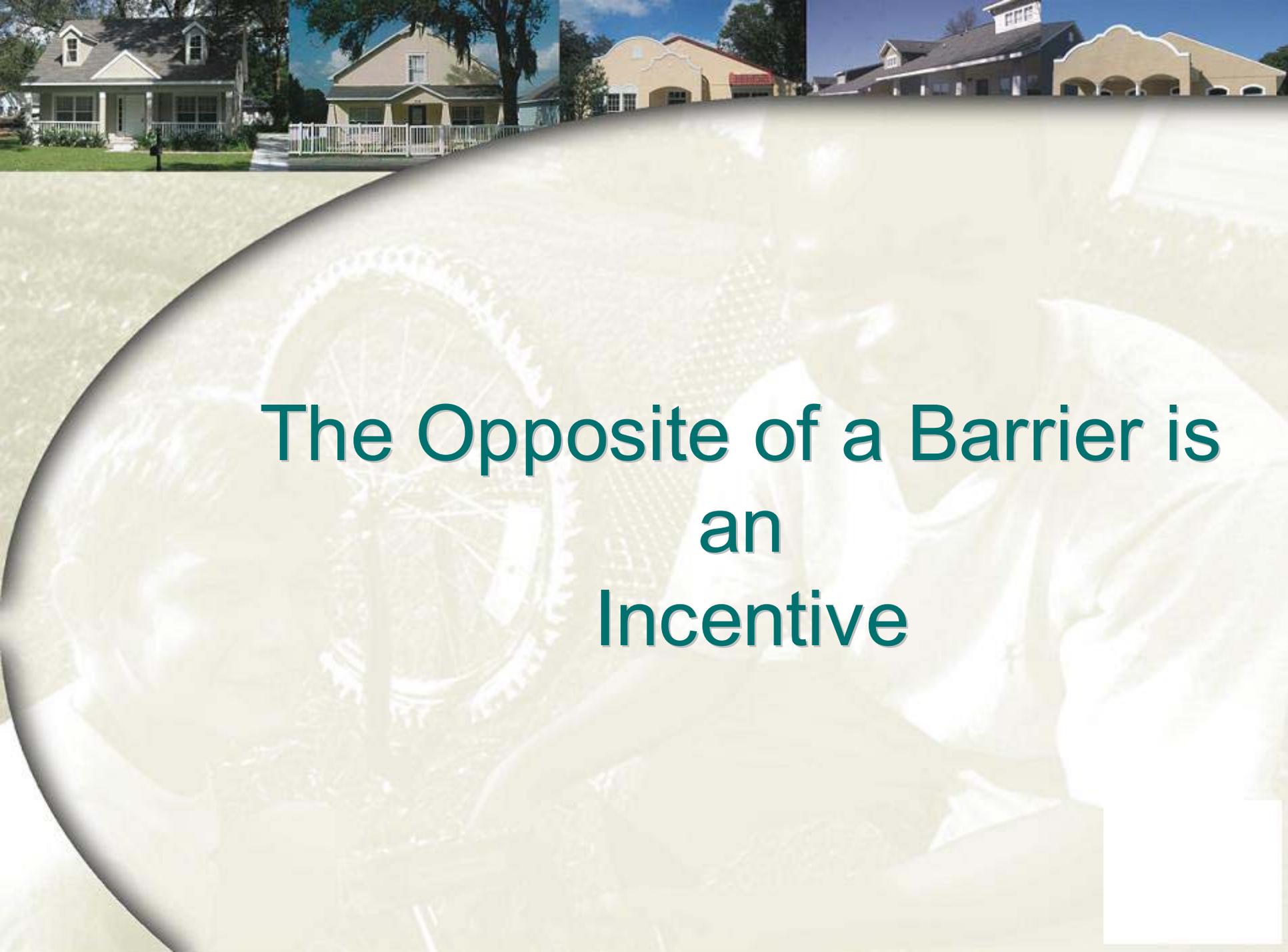




The True Cost to Own A Vehicle

True Cost to Own a 2004 Ford Taurus	Year 1	Year 2	Year 3	Year 4	Year 5	5 year Total
Depreciation \$	1,224	\$ 1,073	\$ 945	\$ 838	\$ 751	\$ 4,831
Financing \$	602	\$ 487	\$ 363	\$ 228	\$ 83	\$ 1,763
Insurance \$	1,384	\$ 1,432	\$ 1,482	\$ 1,534	\$ 1,588	\$ 7,420
Taxes and Fees \$	744	\$ 36	\$ 36	\$ 36	\$ 36	\$ 888
Fuel \$	1,524	\$ 1,570	\$ 1,617	\$ 1,666	\$ 1,716	\$ 8,093
Maintenance \$	1,316	\$ 1,348	\$ 1,044	\$ 864	\$ 1,425	\$ 5,997
Repairs \$	263	\$ 383	\$ 44	\$ 515	\$ 599	\$ 2,204
Yearly Totals \$	7,057	\$ 6,329	\$ 5,531	\$ 5,681	\$ 6,198	\$ 31,196





**The Opposite of a Barrier is
an
Incentive**



Land Development Regulations

- **Ombudsperson**
- **Administrative Relief for Affordable Housing**
- **Mixed Use incentives**
- **Parking revisions**





Mass Transit and Transportation

- Capital Improvements
- Bike Paths
- Traditional Neighborhood Design
- Urban Service Boundary adherence





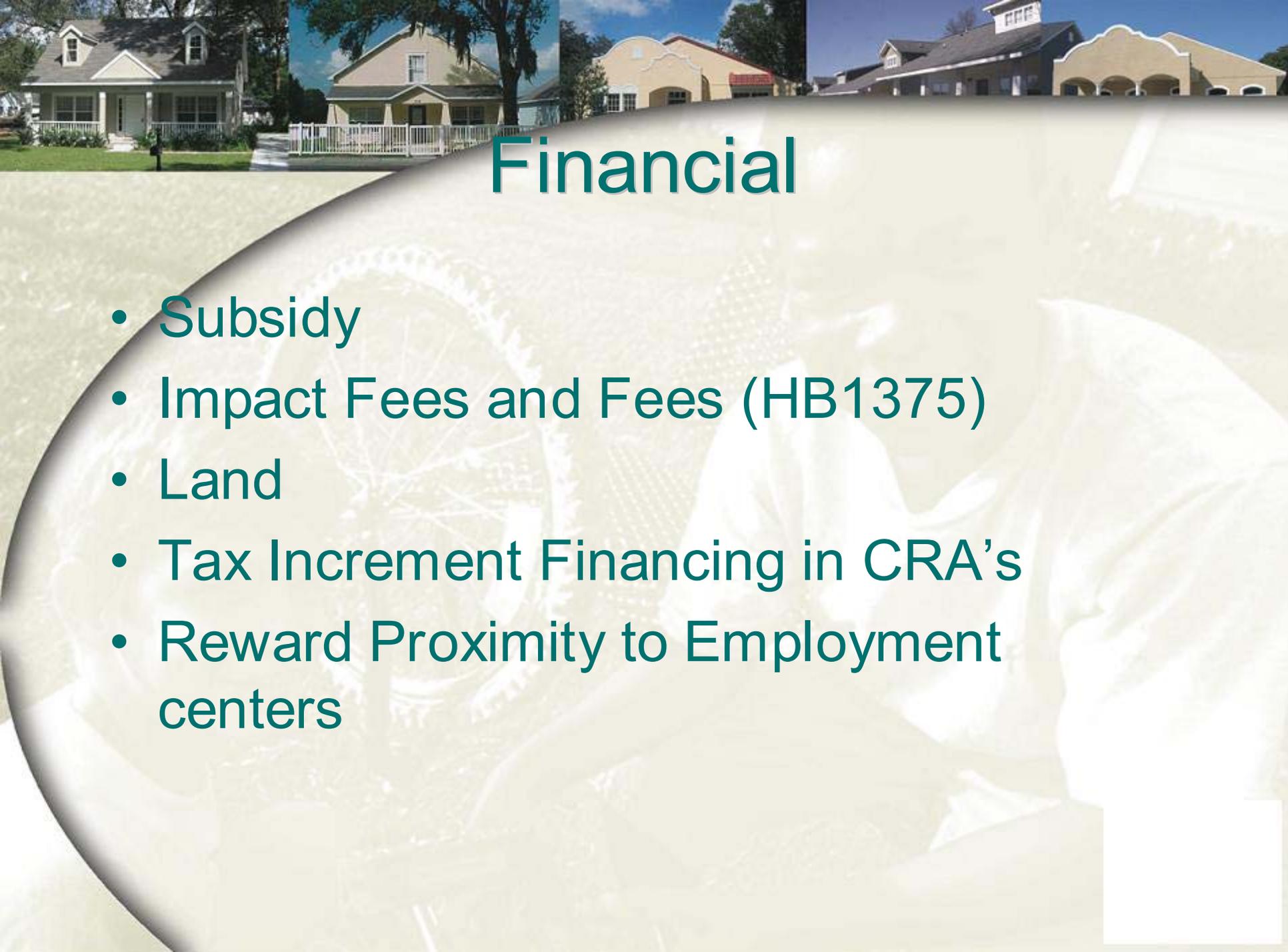
Site Standards- Overall Relief

- Lot lines- zero or flexible
- Open Space- reduce by 50%
- Bulk- increase
- Setbacks- flexibility
- Parking- flexibility
- Mixed Uses



Inclusionary Zoning





Financial

- Subsidy
- Impact Fees and Fees (HB1375)
- Land
- Tax Increment Financing in CRA's
- Reward Proximity to Employment centers



Infrastructure

- Exempt Trips from concurrency where proximate to employment
- Reserve Concurrency for Affordable
- Target Capital Improvements



Support

- Expedite permits and reviews
- Staff Housing Ombudsman
- Fewer public hearings
- Administrative Review
- Support Partnerships
- Coordinate between housing providers and developers



Carrot and Stick

- **Density Incentives- only for affordable projects with income and cost restrictions**
- **Inclusionary Zoning**
- **Linkage Fees**
- **Impact Fees**
- **Community Land Trust**





Incentive Plans- Some Tips

- Incentives are Cumulative
- Incentives should be Customized
- Have a Housing Ombudsperson to navigate
- Consolidate Incentives in Special Chapter of Land Development Regulations



Some Programs to Consider

- **Forgive tax and liens on vacant lots id'd by non profit housing providers**
- **Establish Land Bank**
- **Make surplus land available- seriously**
- **Update housing needs assessment**
- **Establish impact fee trust fund using interest on accounts-use as rebates**
- **Examine all new regulations carefully for their impact on housing costs**





More Programs...

- **Establish alternative design and development review standards to promote infill housing**
- **Leverage funds including tax exempt bond**
- **Diversify local economy to increase wages**
- **Encourage employer assisted housing**
- **Establish non-profit mortgage company**
- **Encourage local lenders to innovate and participate**



And More...

- **Study nexus between residential and commercial development on need for low income housing**
- **Draft Land Development Regulations Chapter just for Affordable Housing Incentives**
- **Expedite, expedite expedite**
- **Bookmark these websites:**
 - www.huduser.org/rbc
 - www.pricedoutreport.org
 - www.nlihc.org
 - www.housingbarriers.com
 - www.flhousing.org





Thank You



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