



To: Affordable Housing Workgroup

From: The Florida Housing Coalition

Date: October 25, 2017

The Florida Housing Coalition offers the following ten Financing and Land Use Recommendations for your consideration.

1. The Florida Legislature should appropriate all the monies in the state and local housing trust funds for Florida's affordable housing programs. We have the best housing programs in the nation. They are tried and true and can help us to the extent they are funded.
2. No changes are needed to the SHIP program. It was created to provide accountability and flexibility. It has proven to work in all economic environments, from housing boom to housing bust, or in times of disaster. The flexibility of the program permits local governments to meet the statutory criteria in a number of ways, for example, the 65% homeownership requirement (which was a promise made to the Florida Realtors in exchange for its support of the increase in the doc stamp which funds SHIP) was able to be met during the Great Recession because repairing homeowners' houses meets the 65% homeownership requirement. In markets that support first time home buying, SHIP is often used to provide down payment and closing cost assistance to homeowners who often end up paying less in a monthly mortgage payment than they did for rent. When they move into homeownership they free up a rental unit for someone who needs it, and as homeowners, they can be the catalyst for thriving neighborhoods and upward mobility.
3. Homeowners are part of the solution to the lack of rental housing. If allowed to have an accessory dwelling unit on the site of their homestead, Florida's homeowners can create rental units. Florida's local governments should permit accessory dwelling units in areas that permit single family residences. Home owners have land right in their backyards for the creation of a rental unit, formerly referred to as a "granny flat", an accessory dwelling unit provides much needed rental housing in an already built environment creating income for the homeowner and an affordable rental unit for the tenant.
4. Local governments should provide adequate sites for tiny home communities. An accessory dwelling may technically be the size of a tiny home, but it is accessory to the primary residence of a homeowner. A tiny home is independent of a primary residence. There is a strong and growing interest in tiny homes from millennials and the elderly, two of the largest populations in need of affordable housing. The builders of tiny homes have plenty of interest from buyers. The problem is that those buyers have no place in the community to put their tiny home. Local land development codes should

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provide for tiny homes. One way this can be done is through pocket neighborhoods as a special exception in residential districts. A pocket neighborhood is a tract of land set back from the road front that contains the tiny homes centered around community amenities such as a gathering hall and green space. Tiny homes that are not on foundations should be permitted in all RV or mobile home parks.

5. Permanent or lasting affordability should be a priority in all government incentives for affordable housing at the local and state level. Both the state and local government should favor community land trusts or lasting affordability whenever government subsidy (for instance, Sadowski trust fund money at the state and local level) are used to produce the affordable housing. A community land trust removes the land from the speculative market to maintain permanent affordability. Florida will continue to take one step forward and two steps back in the effort to provide affordable housing if it continues to lose the affordable housing units it helps to create.
6. The FHFC should give priority to those affordable housing developments that provide the longest term of affordability and provide the greatest leveraging of funds. It should also give priority under the federally required set-aside for tax credit developments to 100% nonprofit developers that meet the longest term and leveraging priority. Following the 100% nonprofit developments, funding under the set-aside should go to joint ventures that provide material participation and a substantial portion of the developer fee to the nonprofit partner.
7. Local governments should create a regulatory environment that fosters the development of affordable housing at a variety of income levels by, at a minimum, ensuring that all large scale developments and development around transit nodes include affordable housing that meets the criteria of long term or permanently affordable.
8. Local government parking requirements should be reduced or eliminated whenever practicable. For example, when the apartments are serving residents that are unlikely to have two cars per family and there is sufficient off-site options so that parking does not become deleterious to the neighborhood. Affordable/workforce housing must now be proximate to public transportation and local governments should factor that into their reduced parking requirements. Information on these reduced requirements should be readily available to developers who are considering potential sites for affordable housing.
9. Local governments should encourage density in exchange for affordability to facilitate development of affordable housing by the private sector. For example, allowing reasonable building height increases (1 additional floor) for affordable/workforce developments can accomplish higher density and be more cost efficient per unit.
10. Local government impact fees should be evaluated by the community to determine if an assessment can be made that does not result in a regressive formula that charges the same fee for an estate home as is charged for a modest home.

The fundamental economic fact about the housing market is that prices are set at whatever the market will bear. That means that the sales price of a home for sale or the lease payment on a home for rent, will be set at the highest amount of money a person is willing to pay for purchase or rent.

For example, the same house, with the same costs to build, will sell for less money in Lake County than it will in Sarasota County. Irrespective of all land development and construction costs. It will sell for more money in Sarasota because the buyers in Sarasota are willing to pay more for that identical house in a more desirable location. We cannot and should not expect builders or landowners to set prices based on what it costs them to build. Only affordable housing developers operate that way because their mission is to produce an affordable product. It is not the mission of a market rate developer to build an affordable product. Florida is surrounded by water on three sides and even our inland communities are desirable when developed using traditional neighborhood design.

The only way to provide affordable housing is to combine planning, financing, and long term affordability assurances. It is the statutory obligation of every local government in Florida to provide for the housing needs of its current and anticipated populations. It's good for business and it's good for the economic health of the community and the entire state.

Respectfully submitted,



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