



# REGIONAL AFFORDABLE HOUSING INITIATIVE

## EXECUTIVE SUMMARY REPORT

May 2018

An initiative to address the housing needs and opportunities in Central Florida



*The growing housing shortage in this region and its effects on the housing need prompted Orange County Mayor Teresa Jacobs to gather partners from Orange, Seminole and Osceola counties and the City of Orlando to explore the merits of a broadly established affordable housing strategy.*

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William O'Dell - Shimberg Center for Housing Studies  
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Rebecca Hammock - Seminole County Government  
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# INTRODUCTION An Overview

## THE REGIONAL INITIATIVE

The growing housing shortage in this region and its effects on the housing need prompted Orange County Mayor Teresa Jacobs to gather partners from Orange, Seminole and Osceola counties and the City of Orlando to explore the merits of a broadly established affordable housing strategy. Together, these jurisdictions launched the **Regional Affordable Housing Initiative** to study and implement potential solutions suited to the particular housing circumstances of Central Florida and its growing population.

The partners invested more than two years in this collaborative effort. Drawing on internal resources, consultants, housing industry representatives and observations from the community, the group identified strong interest in new housing forms, improved housing diversity and enhanced local area resources targeted at affordable housing.

Among the partners, there is broad agreement that a single solution targeted to any specific issue or population is no longer likely to be a sufficient strategy to advance an affordable housing agenda. Many approaches must be considered.

## CHALLENGE

National and regional home prices and rents are pushing well above historic limits when compared to income and affordability. The situation has passed the point of concern and is now a crisis. The American Community Survey (2016) reports 230,344 Central Florida households carry housing costs exceeding 30% of their incomes.

As housing costs move beyond the reach of the region's residents, they threaten its civic and social institutions. At the same time, these costs undermine economic development potential which is highly dependent on an adequately housed labor force.

Housing deliveries are at their lowest levels in years, creating a significant gap between the number of units being delivered to the market and the number necessary to sustain demand adequately. In fact, at the national level, housing completions are at levels recorded in 1968. Over the course of the last 50 years, only 10 years have generated fewer housing units. Multi-family construction, however, is something of a bright spot, booming as **total** production drops.

This overall shortfall between production and demand is a major explanation for increasing housing prices for both renters and owners. Many reasons contribute to the shortage of housing delivery, including risk management concerns, loss of trade and industry resources, regulation, generally rising construction costs, and individualized housing needs or choices.

Reduced housing production, occurring in the context of higher cost rental housing, is a special challenge for those with the most limited incomes. With today's rents virtually eclipsing the resources of those most needing and requiring something other than the single-family home, the gap between affordability and housing is a major challenge.

Based on conditions in the market over the the last few years, the number of households in adverse financial conditions will markedly increase relative to the resources intended to support those households.

## TRENDS

Over the 20 years from 1990-2010, the national marketplace strongly favored homeownership, often in the form of an increasingly larger single-family home. The share of total households in rental units typically did not exceed some 35% over this period despite soaring prices and mortgage rates. There has been a substantive shift in this share as multi-family rental units have come to dominate housing construction activity.

We are consuming larger and larger units as the housing industry responds to the market’s demand. There is ongoing debate about the housing demands of the millennial age groups, but the particulars of those needs are largely unsettled. In Central Florida, it is more certain that the market’s housing choices are heavily influenced by existing transportation needs that consume financial resources otherwise available for housing. At the same time, median income is also among the lowest of any major metropolitan area in the nation (U.S. Census, Top 25 Metropolitan Areas). The kind of home, affordable to whom and under what circumstance, is a pivotal issue and raises many questions about housing choice, housing location and the products provided by the industry.

## FRAMEWORK

Every possible tool, each with its varied economic and political obligations, must be a part of the conversation if the enormity of the current housing problem is to be addressed in some measurable fashion. Orange, Seminole and Osceola counties, along with the City of Orlando, have expressed a commitment to a variety of strategies. These strategies, as shown in the accompanying graphic, are a recognition of the shared housing problem in the region and a solid foundation on which to build a sustained approach. As a result, the proposed framework draws on a single mission, five shared goals and several shared regulatory tools, incentives, resources and coordinated partnerships.

## NEXT STEPS

Collaboration among many interests is an important first effort in advancing the framework, which embodies basic, progressive and transformational tools. These tools are believed today to be essential to achieving the partnership’s mission and shared goals. All tools or devices will not be equally effective, and some certainly require more time and more effort than others to fully implement. Consequently, the engaged jurisdictions will continue to meet regularly, discuss their specific efforts and compare their progress — understanding in advance that adjustments in approach and policy are reasonable expectations.

## REGIONAL AFFORDABLE HOUSING FRAMEWORK

### A MISSION

Establish a regional framework for addressing housing needs and opportunities in Central Florida

### B GOALS

- 1 **CREATE**  
Increase the housing supply to meet the needs of all current and future residents.
- 2 **DIVERSIFY**  
Encourage diversity of housing types and energy-efficient housing.
- 3 **PRESERVE**  
Preserve existing affordable housing stock, including financially assisted & rent-restricted units.
- 4 **INTEGRATE**  
Promote social and economic integration.
- 5 **EDUCATE**  
Improve financial literacy and education of future home renters and buyers.

### C STRATEGIES

### D TOOLS & RESOURCES

- 1 REGULATORY TOOLS
- 2 FUNDING SOURCES
- 3 PARTNERSHIP OPPORTUNITIES
- 4 ADDITIONAL RESOURCES

# THE REGIONAL INITIATIVE

## How did the partners get here?

**To start a dialogue with the larger community, the partners held an initial summit in October of 2016 to outline the intent of the initiative and begin to explore affordable housing strategies and best practices from around the nation. The assembled speakers offered a broad housing perspective and included a number of local and national elected officials, industry participants, consultants and representatives of various nonprofit or other housing interest groups.**

The regional partners quickly recognized that there were several immediate points of consideration. These centered on locations **where** the housing market had evidenced inefficiencies, **what** alternative housing types and designs should be encouraged and **how** a shared strategy across jurisdictions might advance policies to enhance and diversify housing activity.

Although various topics for debate and analysis emerged, the continuing agenda focused on items tied to rising housing costs and increased financial burdens for more households in the context of diminished federal support for housing programs.

Internally, staff have discussed their own findings and observations. Assumptions were tested by consulting with stakeholders bringing a range of housing industry expertise and opinion. In the eighteen months following the summit, each issue identified by staff during a series of weekly meetings has been further explored in a succession of implementation workshops. These public workshops conveyed specific information and provided opportunities for additional points of view. Details about these events, their general themes and the varying participants are summarized on the following page.

Since the effort launched in 2016, the partners have learned more about the advantages and disadvantages of various regulatory options, the business models of the housing industry, the benefits and challenges of establishing land trusts to own and control properties for affordable housing, the means of providing incentives where appropriate, and the benefits and challenges stemming from more advanced strategies such as linkage fees and inclusionary housing requirements.

The collective opinions and ideas of many different participants captured the importance of housing as an essential element to sustaining an economy desirable to all of its residents and to its economic base.

Through this regional initiative, the following have been the attention of continued data and research:

### WHERE - WHAT - HOW

- *The magnitude of the affordable housing problem, based on an informed analysis of the area's affordable housing demand and supply*
- *An awareness of cross-jurisdictional issues resulting from a problem of such scale*
- *The planning challenges and implications of identifying specific areas offering improved access and opportunity to targeted housing populations*
- *The need to identify alternative housing types and designs at multiple price points, and better aligning housing needs with the targeted populations*
- *The benefits of initiating a shared jurisdictional approach tied to commonly developed strategies, incentives and policy options*

## THE REGIONAL CONVERSATION

The partner jurisdictions have agreed on a number of key principles as they have rallied their staff and elected leadership to evaluate the area's housing needs and resources. As a starting point, the partnership recognizes the interconnection among its members, and the extensive nature of the housing problem which extends well beyond the boundaries of each local government. Therefore, the partners are united in an approach that is committed to a shared mission, goals and strategies — so that the solutions are as broadly distributed and coordinated as possible. These matters have been explored in several workshops.



### **SUMMIT - October 20, 2016**

The summit was one of the first steps in discussing affordable housing solutions for Central Florida. Planners, housing experts, developers, local government officials and community leaders representing the region gathered to discuss strategies, tools and best practices being implemented throughout Florida and across the country.



### **WORKSHOP 1 - May 19, 2017**

#### **Identifying Areas for Affordable Housing in Central Florida**

The first workshop in the series helped identify and explore potential areas for future affordable housing development within the region. These areas were selected based on indicators such as proximity to public transportation and major employment centers, and availability of community resources and services. A housing analysis was presented, with areas of access and opportunity identified on a regional scale.



### **WORKSHOP 2 - October 18, 2017**

#### **Affordable Housing Design and Product Types**

The second workshop engaged attendees and representatives of the development community by discussing innovative housing types and strategies that are context-sensitive and meet the needs of targeted populations and income thresholds. Topics discussed included mixed-use and mixed-income developments, adaptive reuse, smaller-footprint homes, accessory dwelling units and co-housing, among others. Additionally, Florida developers and architects were featured, sharing some of their best affordable housing products.



### **WORKSHOP 3 - April 11, 2018**

#### **Regulatory and Financial Strategies for Increasing Affordable Housing Supply**

The third workshop was built upon discussions from prior sessions and focused on identifying regulatory and financial mechanisms that support production and preservation of affordable housing. Partners from Orange, Seminole and Osceola counties, and the City of Orlando presented a set of regional goals, strategies and tools geared towards addressing the housing needs of the region. The afternoon session consisted of panel discussions focusing on financial issues and major challenges that developers face in the affordable housing realm.

# THE REGION

## How is Central Florida Growing?

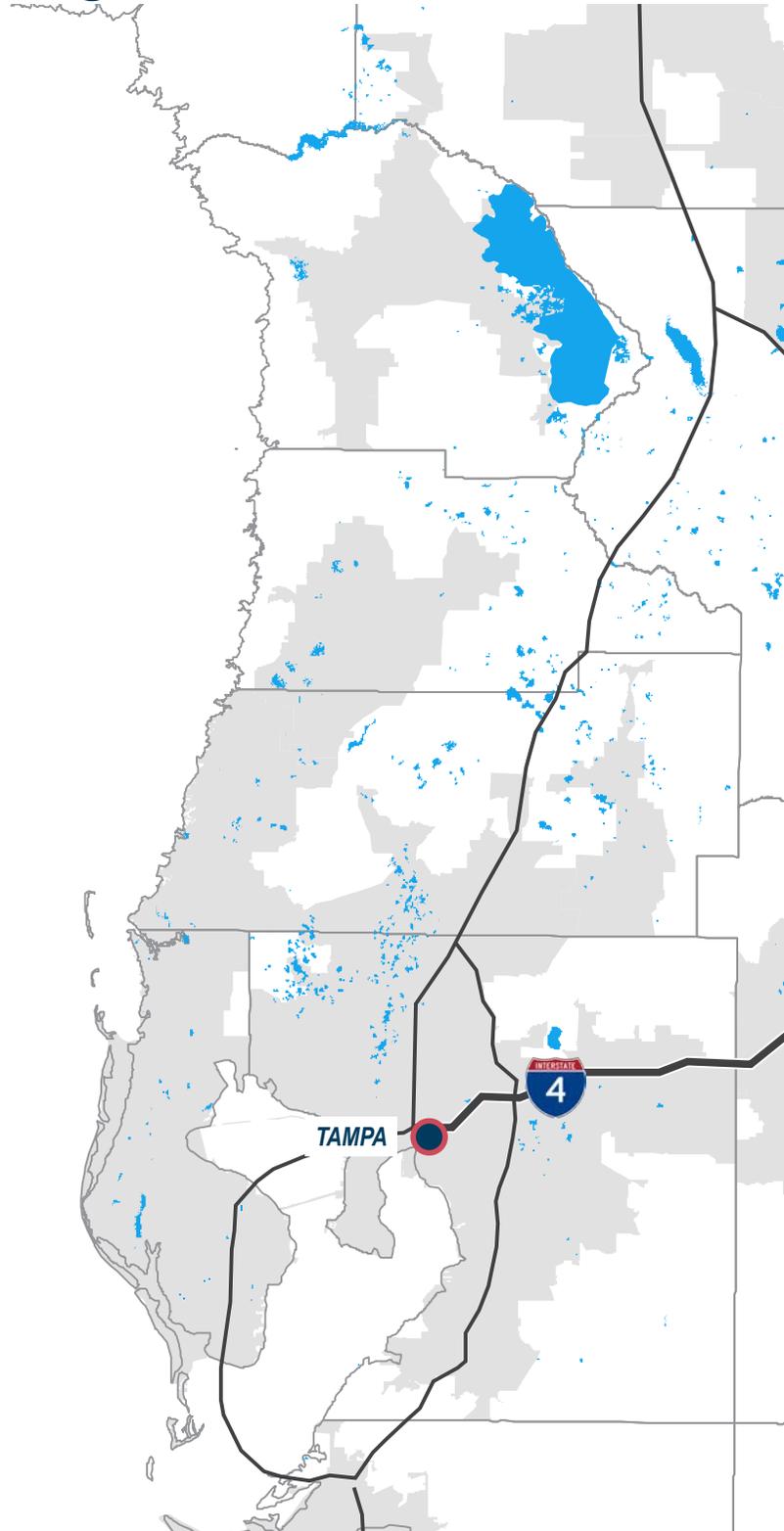
The City of Orlando and Orange, Seminole and Osceola counties anchor the center of the Interstate-4 (I-4) corridor. Together, the partnering jurisdictions represent a physical area of about 2,850 square miles. Orlando is the largest city in this metropolitan area, and Seminole County is among the most densely settled of the state's 67 counties.

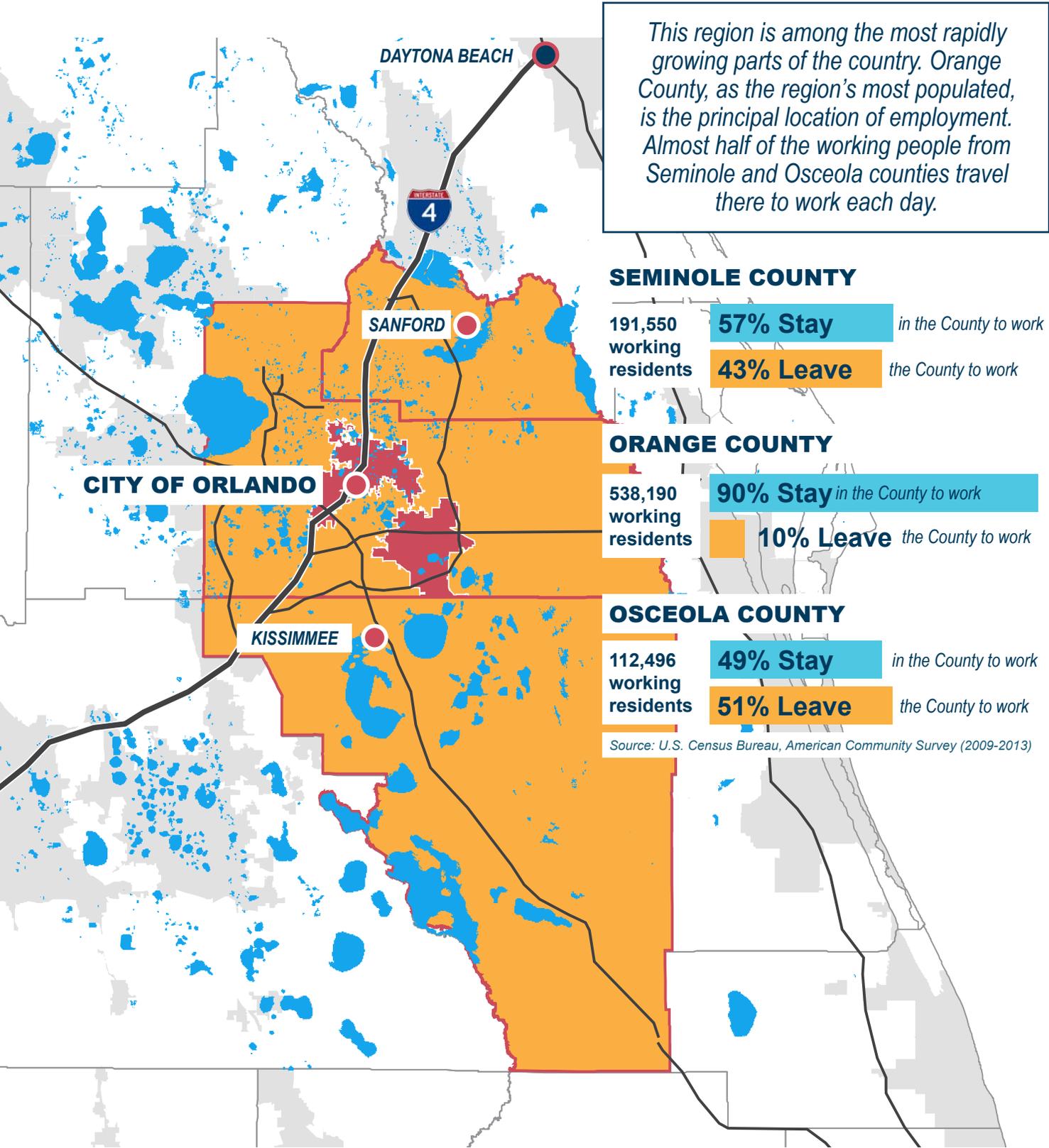
The sustained development activities occurring in this part of the state are fueling population and job growth that in the next several decades will ensure the area's dominant position in the middle of a seamless economic community extending about 170 miles from coast to coast.

The partnering governments are part of a bigger area defined by eight county jurisdictions and several metropolitan areas extending across Florida from Daytona Beach to Tampa. Although these counties have not been officially recognized as a census-designated region, a comparison suggests the region ranks among the largest population concentrations in the United States.

By any measure or comparison, this region is an extraordinary commercial and residential hub almost doubling its size since 1980. The expected speed and intensity of further growth in this region brings heightened attention to housing needs necessary to sustain its potential for economic expansion.

Most of the region's jobs are located within Orange County. As a result, almost half of the working population from Osceola and Seminole counties travel there each day to work. Very few Orange County workers commute out to neighboring counties for work.





*By 2040, the population in Central Florida will have grown by almost 1,000,000 people — an addition of some 386,000 households. The cost burdens now being experienced would likely extend to these new residents if there are no policy modifications and/or additional resources.*

## POPULATION

Today, Orange, Seminole and Osceola counties have a combined population of **2,106,251**. By 2040, using the moderate forecast prepared by the Bureau of Economic and Business Research (BEBR), the area will be home to about **3,089,300** people or about **1,216,260** households — a change of **47%** over the period. Jobs, as well as roads, educational standards, land availability, relative desirability, land use or regulatory policies, and other considerations will dictate the settlement patterns which will have to accommodate about 1,400 new households per month over the next two decades. In 2017, there were about 1,300 housing unit building permits issued per month — about 70% were single-family units (State of the Cities Data Systems, HUD).

Without regard to particular jurisdictions, current housing production across the region is well below levels needed to support this population growth. Differences in terms of specific location, configuration, price and suitability require even higher production numbers to ensure there is an adequate margin for choice and movement.

Limited housing delivery is driving up the market's prices (short-term) and could be a deterrent to the region's economic expansion (long-term). In effect, near-term challenges are the start of a continuing structural problem. If not addressed, housing shortages could become a disadvantage to many sectors of the existing economy.

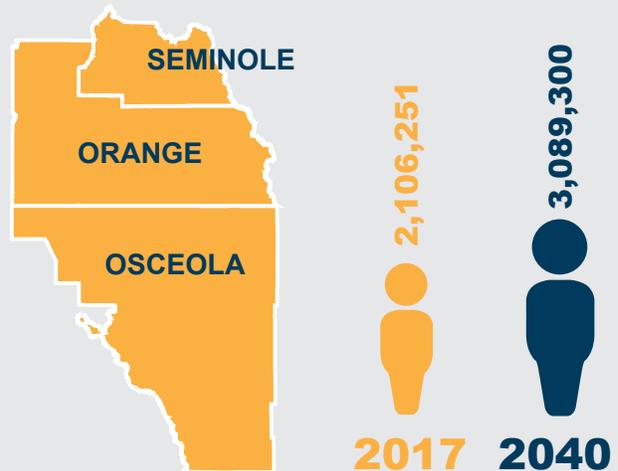
## EMPLOYMENT

Prior to the last recession, this region proved itself resilient to sharp fluctuations in the economy. Consequently, even during downturns, in-migration to Central Florida continued. The last cycle recession, however, was felt more deeply, and there remains speculation about the lingering effects. Certainly, the existing job market continues to favor moderate wage employment.

From 2010 to 2016, about 125,000 jobs were added to the three counties comprising the regional partnership, with about 15,000 of these new jobs concentrated in the City of Orlando. Orange County is the employment center for the region but Seminole County has the most favorable wage and employment situation (see table on page 13).

### POPULATION GROWTH (2017-2040)

*In the next two decades, regional population will increase by* **47%**



Source: U.S. Census Bureau; 2017 Population Projections, Bureau of Economic and Business Research (BEBR)

Fewer than 10% of Orange County’s residents leave each day to work elsewhere in the region. Today, Orange County draws commuting workers from across the region (see figure on page 11). Construction employment in the region is at a fraction of its 2010 number, but showing some growth. There have been notable gains in professional and management employment, which provide some of the region’s better median incomes. These higher value jobs, however, are offset by large increases in retail trade, food and entertainment jobs paying lower incomes. These jobs are heavily correlated with the tourism industry.

rents or the mortgages associated with the region’s median housing prices. The relationships between incomes and housing expenditures are shown in more detail on page 17.

*While the region remains economically attractive, the largest job categories pay median annual earnings of \$26,000 to \$36,600, which is lower than required for most individuals to afford the area’s median housing costs.*

Across all major categories of employment in the region, the median earnings ranged from a low of about \$26,000 to a high of about \$36,500. Very few working individuals could afford the region’s median

### SINGLE-WORKER MEDIAN INCOMES BY MAJOR JOB CLASSIFICATIONS (2016)

JOB CATEGORY	ORANGE COUNTY		ORLANDO		OSCEOLA COUNTY		SEMINOLE COUNTY	
	2016	% CHANGE (2010-2016)						
Agriculture/Forestry/Fishing	\$31,765	84.9%	\$25,870	30.9%	\$22,249	365.1%	\$14,775	-59.1%
Construction	\$30,576	24.3%	\$29,008	68.4%	\$28,118	14.4%	\$36,173	0.7%
Manufacturing	\$42,296	17.9%	\$47,824	74.6%	\$34,158	16.3%	\$50,152	-2.1%
Wholesale Trade	\$37,819	-7.1%	\$35,349	-29.6%	\$30,748	13.4%	\$44,651	14.3%
Retail Trade	\$22,346	4.9%	\$21,857	15.2%	\$21,421	10.6%	\$25,264	3.6%
Transportation	\$36,842	18.6%	\$40,817	60.2%	\$31,136	-3.6%	\$40,479	13.7%
Information	\$35,338	12.9%	\$45,641	11.4%	\$33,542	-14.8%	\$51,616	10.5%
Finance/Insurance	\$40,343	13.3%	\$40,451	23.7%	\$24,196	-20.3%	\$44,901	8.4%
Professional/Admin/Scientific	\$40,131	13.7%	\$39,544	20.8%	\$38,925	47.8%	\$50,744	36.1%
Educational Services/Health	\$35,819	20.5%	\$37,905	24.2%	\$35,568	15.9%	\$39,039	10.9%
Arts/Entertainment/Food	\$22,111	14.4%	\$22,332	16.2%	\$22,452	21.8%	\$20,551	27.1%
Other Services	\$27,131	33.7%	\$27,327	38.1%	\$16,542	-16.9%	\$22,636	-12.8%
Public Administration	\$51,631	21.4%	\$48,360	60.9%	\$50,019	55.1%	\$51,689	11.9%
<b>Median Income All Employees</b>	<b>\$31,064</b>	<b>15.4%</b>	<b>\$31,274</b>	<b>23.1%</b>	<b>\$26,005</b>	<b>9.3%</b>	<b>\$36,575</b>	<b>13.3%</b>
<b>Total Number of Employees</b>	<b>620,484</b>	<b>10.4%</b>	<b>140,433</b>	<b>12.3%</b>	<b>137,599</b>	<b>14.5%</b>	<b>215,997</b>	<b>2.3%</b>

Source: U.S. Census Bureau; American Community Survey (2016); GAI Consultants, Inc.

# CHALLENGE

## Who can afford what?

Effectively, the gap that existed between earnings and the region's affordable housing options has widened significantly. The spread, however, stems from a variety of social and economic influences, not just lower or restricted incomes. While the severity of these conditions in each county of the region varies, trends of the last several years are not abating.

Efforts to create more affordable **housing** options, expressed exclusively as a percentage of total housing production, will not keep up with the actual **numbers** of families and households unable to match their housing needs with their incomes. This number of cost-burdened households will only increase relative to the resources available to mitigate the problem. This is a shared concern among all local governments in Florida wishing to ensure housing stock is not an obstacle to achieving other objectives.

Because existing imbalances in affordable housing result from more than just inadequate incomes, multiple ways to broaden housing opportunities for all residents must be explored. The agenda must center on a variety of ways to create housing resources and to encourage housing in multiple forms, densities, sizes, price points and locations. Employers and members of the housing industry must be a part of the housing strategy to induce greater housing diversity.

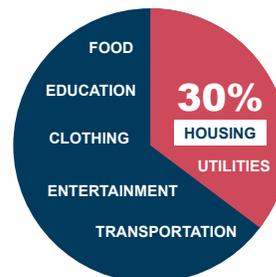
## AFFORDABLE HOUSING

To begin with, **affordable housing** is not the same as **subsidized or assisted housing**. Much of affordable housing is subsidized, but certainly not all.

**Affordable housing** is a relative concept, and it speaks generally to cost burden. **Subsidized housing** involves very specific criteria used to screen participants for eligibility. These criteria are often linked to the nature of the family relationship, its size and its income adjusted for the number of persons in the household. Essentially, the size of the household and its reported income matter for determining both, what is affordable and available.

Normally, housing costs that do not exceed a maximum of 30% of income are deemed to be affordable. For the typical subsidized program, housing costs generally cannot exceed a maximum of 30% of income for the participants to insure affordability. For higher income families or households, a larger percentage of income can be allocated to housing costs. For the lowest income strata, even the normal 30% allocated to housing might be burdensome and not affordable.

### AFFORDABLE HOUSING



*Affordable housing is that in which the occupant(s) is/are paying no more than 30 percent of his or her income for gross housing costs, including utilities.*

Source: U.S. Department of Housing and Urban Development (HUD)

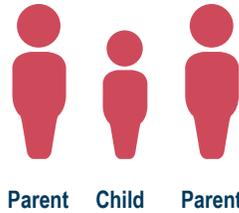
Households expending more than 30% of their gross income for housing are considered cost burdened. The Orlando Regional Realtor Association estimates the median home sales price for this area to be of \$230,000 (March, 2018). At this figure, a family earning HUD's median income of \$58,400 would be burdened by the principal, interest, tax, insurance and utilities, absent a major downpayment. Other sources suggest the median cost of housing may be higher. Renters tend to experience higher cost burdens.

In Central Florida, the standard reference to income and housing costs stems from figures updated annually by the U.S. Department of Housing and Urban Development (HUD) for its various programs. The incomes in the accompanying table are HUD's most recent figures for households of selected size. Categorically, a family or household has low, very low or moderate incomes when matched against these figures, which stem from an overall median income of \$58,400.

These guidelines also shape the systems by which housing supports may be made available to developers wishing to operate in the affordable housing marketplace. Such subsidies may flow directly to a family of a certain size or to the owners or developers of a unit.

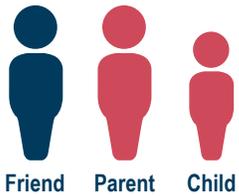
Generally speaking, subsidies can be provided to: (1) a family/household; (2) a property owner (of rental property); and (3) developers.

### HUD GENERAL DEFINITIONS



#### FAMILY

A family is a group of two or more people related by birth, marriage or adoption and residing together.



#### HOUSEHOLD

A household consists of all the people occupying a housing unit.

### MEDIAN FAMILY INCOME



Median family income represents the point at which half of all families in a distribution earn more and half earn less. Figures from HUD are based on family size and are published on a yearly basis.

### SELECTED HUD INCOME CATEGORIES FOR ORLANDO-KISSIMMEE-SANFORD MSA (2017) BASED ON MEDIAN FAMILY INCOME (MFI) OF \$58,400

INCOME LIMIT CATEGORIES	PERSONS IN FAMILY		
	1	4	8
EXTREMELY LOW (30%)	\$12,250	<b>\$24,600</b>	\$38,550
VERY LOW (50%)	\$20,450	<b>\$29,200</b>	\$38,550
LOW (80%)	\$32,700	<b>\$46,700</b>	\$61,650



### MEDIAN REGIONAL INCOME

HUD determines family incomes that will apply to its programs. The same HUD income figure applies to Orange County, City of Orlando, Osceola County and Seminole County.

Source: U.S. Department of Housing and Urban Development (HUD)

Source: U.S. Department of Housing and Urban Development (HUD)

# AFFORDABLE HOUSING PROGRAMS & THEIR EVOLUTION

The main actors in the affordable housing space rely on local, state and federal governments. These engage with (1) agencies, investors or developer interests to provide housing; or (2) families residing in that housing. These relationships are defined by specific programs.

Depression-era policies of Franklin D. Roosevelt transformed the United States into a nation of homeowners. To stabilize the housing market, his administration restructured the financial system. Through the Federal Housing Administration (FHA), the government insured mortgages and provided 30-year loans with low down payments and lower interest rates.

Public housing was started in 1937 as a means of creating jobs. Owned and managed by public authorities across the nation, these housing properties now accommodate some 1.2 million households. These policies (HOME loans, low down payment and low interest rates) were a contributing factor to the movement of millions of families to the suburbs, while insured mortgages hastened a decline of urban minority neighborhoods due to redlining and white flight.

These directly funded and implemented efforts were largely replaced by various combinations of rental housing and direct ownership programs generally controlled by the U.S. Department of Housing and Urban Development (HUD), created in 1965.

Several programs, such as the Community Development Block Grant (CDBG) and Section 8 voucher program, are still in effect. Today, the Section 8 voucher program, supporting rental housing in the private market, is the largest rental subsidy program.

The Low Income Housing Tax Credit (LIHTC) program launched in 1986. LIHTC is the largest producer of affordable rental housing. In 1990, the HOME block grant program was created solely for affordable housing purposes. HUD has initiated no major public or private investments in rental housing development since the 1980s.

In Florida, through the Sadowski Fund, local governments, agencies and developers may receive both ownership and rental support for housing. The Sadowski Fund is an essential source of funding generated from documentary stamp taxes and real estate transactions. The proceeds are available to support a multitude of housing efforts. Few states have similarly dedicated funding, but Florida law requires that about 65% must go to owner-occupied initiatives and be primarily targeted for new construction or substantial rehabilitation. These program requirements can make it difficult to serve the most financially challenged families. Despite the millions of dollars collected, money is often reallocated by the Florida legislature for purposes other than housing.

With this history of federal and state programs, the one immutable observation is that the number of families or households in need has continued to grow while programs and resources have declined.

## PROGRAMS AND SUBSIDIES CAN BE PROVIDED TO:



**FAMILY OR HOUSEHOLD**

*The occupants of the housing unit*



**PROPERTY OWNER (LANDLORD)**

*The person who owns the unit and collects rent from tenants*



**DEVELOPERS**

*The people who build or rehabilitate the housing unit*

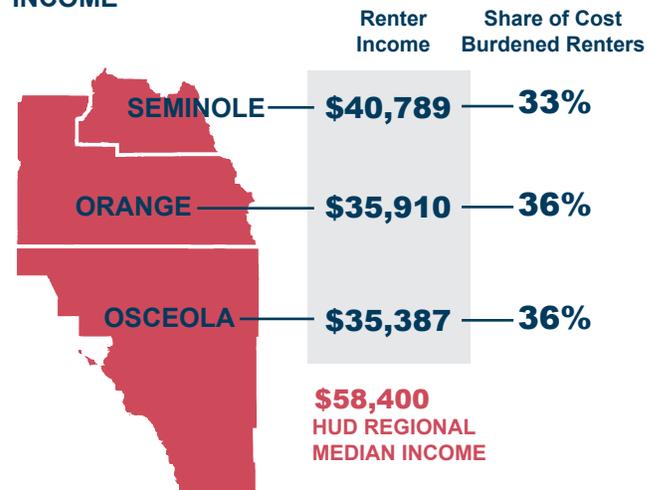
Many parts of Central Florida have median household incomes well below the HUD median income of \$58,400, which can distort the actual housing picture at the jurisdictional level. In 2016, on average, about 22% of owner households and 35% of renter households were cost burdened. In total, about 230,344 households were cost burdened within the partner jurisdictions.

## LOCAL DIFFERENCES

HUD’s published median incomes suggest that incomes, as well as median or average housing prices, are uniform across the region, which is not the case. Osceola County, even with lower incomes, is substantively more affordable than other places in Central Florida because housing costs are lower there. Similarly, there are pockets of neighborhoods in each of the other jurisdictions exhibiting relatively greater (or lesser) patterns of affordability.

Today, based on the typical housing delivered and the prices or costs for those units, 230,344 households, or about 31% of the region’s total households, must allocate in excess of 30% of their financial resources for housing. Because there is a wide variation across jurisdictions in this region, individualized and focused programs, rules or policies are necessary to ensure affordability in specific settings.

### RENTER MEDIAN HOUSEHOLD FIGURES COMPARED WITH HUD REGIONAL MEDIAN INCOME



Source: U.S. Census Bureau; American Community Survey (2016); GAI Consultants, Inc.

	ORANGE COUNTY <sup>1</sup>	ORLANDO	OSCEOLA COUNTY	SEMINOLE COUNTY
<b>HOUSING UNITS (2016)</b>	508,562	126,537	135,085	185,436
Owner-Occupied	60.4%	35.5%	60.2%	66.3%
Renter-Occupied	39.8%	64.5%	39.8%	33.7%
<b>MEDIAN HOUSEHOLD INCOME (2016)</b>				
Owner <sup>2</sup>	\$65,080	\$65,274	\$53,738	\$70,839
Renter <sup>2</sup>	\$35,910	\$35,649	\$35,387	\$40,789
Overall	\$51,334	\$46,761	\$51,436	\$61,311
<b>MEDIAN MONTHLY HOUSING COST (2016)</b>				
Owner	\$1,174	\$1,135	\$1,061	\$1,206
Renter	\$1,064	\$1,040	\$1,074	\$1,105
<b>MEDIAN COST BURDEN</b>				
Owner	22%	21%	24%	20%
Renter	36%	35%	36%	33%

<sup>1</sup> Data for Orange County includes all jurisdictions except City of Orlando.

<sup>2</sup> 5-Year Estimates, U.S. Census Bureau

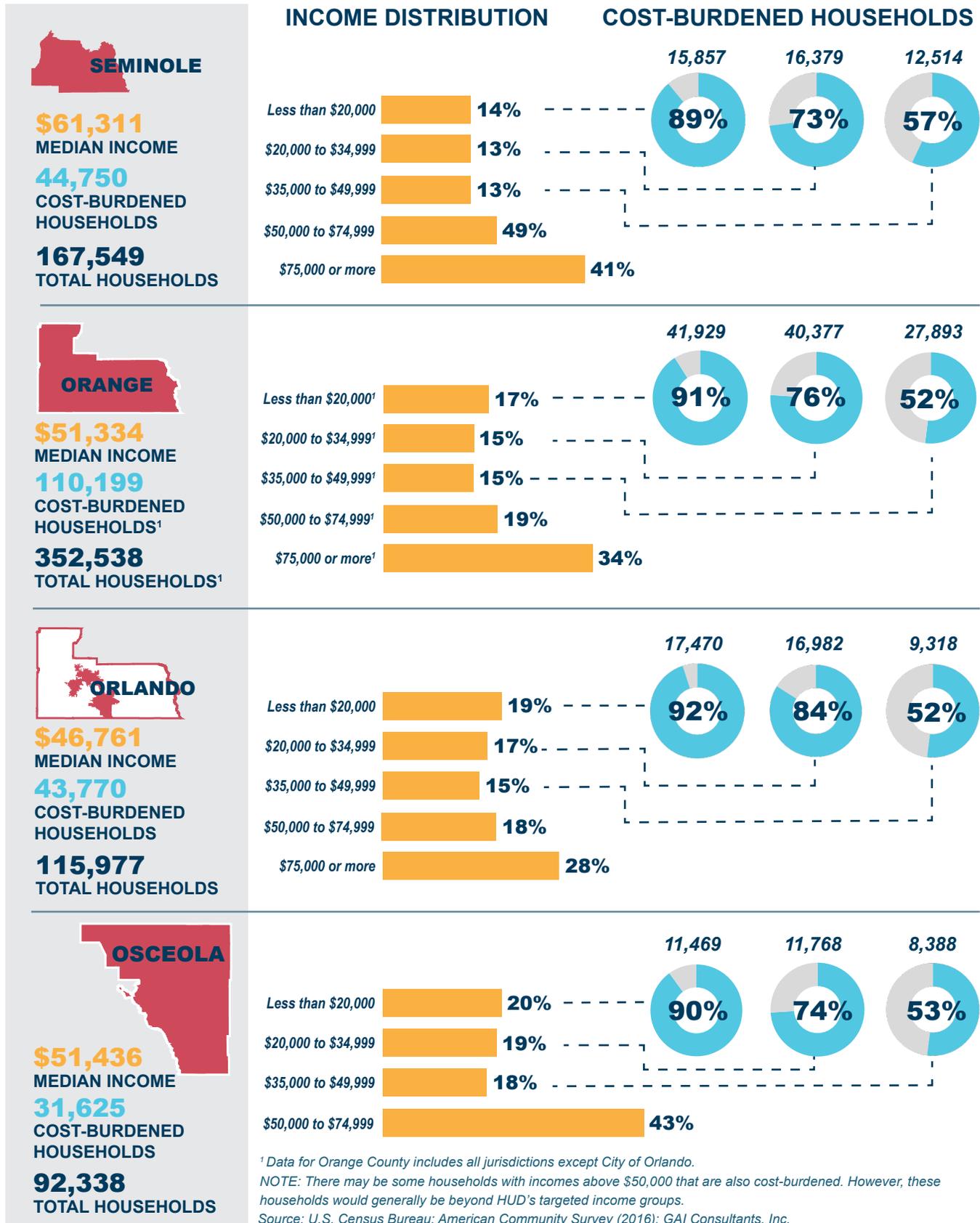
Source: U.S. Census Bureau; American Community Survey (2016); GAI Consultants, Inc.

### MEDIAN HOUSEHOLD INCOMES AND COST BURDEN

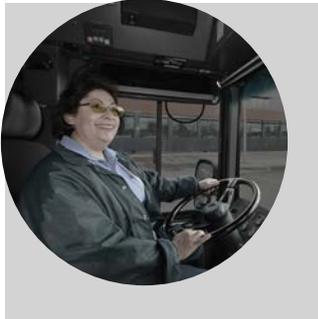
The accompanying data shows how median incomes vary by tenure (renters vs. owners), location (county and city), and relative cost burden (cost of housing relative to reported income). The cost burden percentages may actually be higher because they do not consider utilities.

In most jurisdictions, the median income of renters is about half that of owners. While HUD’s median family income for a family of four is \$58,400, the actual median ranges from a low for renters of about \$35,400 (Osceola County) to a high for owners of about \$71,000 (Seminole County).

# INCOMES AND COST BURDENED HOUSEHOLDS

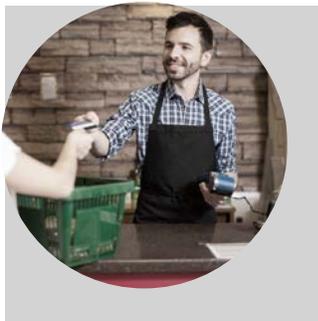
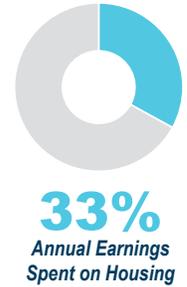


# WHO ARE SOME OF THE COST BURDENED?



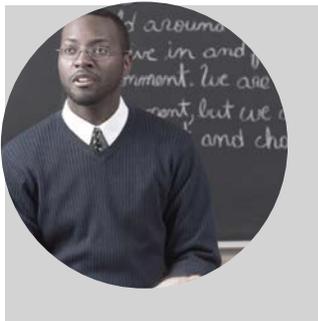
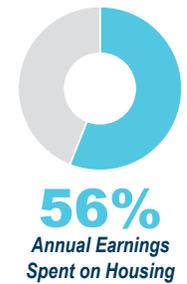
**A BUS DRIVER**  
*Living and working in  
 Seminole County*

**Earns**  
**\$40,479**  
*a year*  
**Pays**  
**\$13,260**  
*for housing a year*



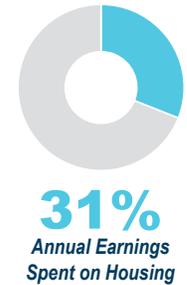
**A STORE CASHIER**  
*Living and working in  
 Orange County*

**Earns**  
**\$22,346**  
*a year*  
**Pays**  
**\$12,768**  
*for housing a year*



**A SCHOOL TEACHER**  
*Living and working in the  
 City of Orlando*

**Earns**  
**\$37,905**  
*a year*  
**Pays**  
**\$12,480**  
*for housing a year*



**A RESTAURANT SERVER**  
*Living and working in  
 Osceola County*

**Earns**  
**\$22,452**  
*a year*  
**Pays**  
**\$12,888**  
*for housing a year*



Source: U.S. Census Bureau; American Community Survey (2016); GAI Consultants, Inc.

# TRENDS

## What drives housing choices?

Housing demands stemming from an expanding economy, population growth and the need for replacement stock are above levels of production. The value of the single-family home, in most locations, is at pre-recession levels. These gains are largely driven by low inventories of new homes. The lowered inventory then has an effect on the supply and price of existing homes released to the market. Rental production, which might fill some of the gap, is up but not at levels able to accommodate population growth, so its cost is also increasing.

Based on historical data from the U.S. Census Bureau, the size of the average American single-family home has increased steadily over the last several decades. At the same time, there are recent and sharp increases in rents. In decades past, rents and housing prices closely tracked one another, but that relationship seems to be changing. A region-by-region comparison across the country shows this disparity continuing for an eight-year period between 2008 and 2016 (see table below).

From 1950 to 1980, the average new single-family home doubled in size to 1,700 square feet. It almost doubled in size again by 2016, when the average new home had grown to more than 2,600 square feet. Where in 1980 the average new home was priced at about 4.32 times the median household income, by 2016 this had grown to more than 5.3 times median household income.

Based on the Survey of Construction from the U.S. Census Bureau, the trend in the rental market is also toward larger units. Although growth in the size of the typical rental unit is far less significant than the changes in a single-family home, any increased size has a cost implication reflected in spiking rents.

The combination of falling home production and rising prices may force us to rethink the kinds of housing products being demanded and delivered to the marketplace. We are witnessing a need for more housing to match population growth and to contain growth-induced pressure on prices. We must also have different products matched to current or emerging lifestyles and the practices of the housing industry.

Such housing units may be smaller, rethought in terms of their content or location, and consequently delivered at more varied price points to align with the incomes of most housing consumers. These and other significant national housing trends are shown in several accompanying tables and figures on pages 20 to 23.

*From much of the data available, it appears households over-consume the housing they require. Today, the median house price is about 5.3 times median income and growing, up substantially in just a few years.*

### KEY PRODUCTION AND HOUSING VALUES CHANGES (2008-2016)

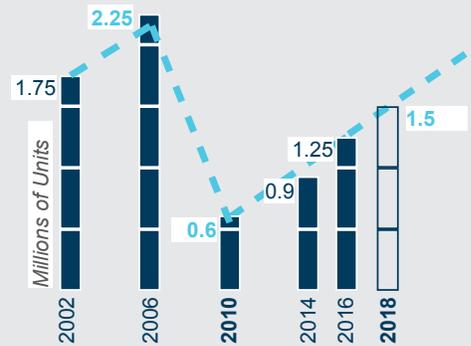
MSAs BY REGION	HOUSING UNIT CHANGE	VACANT UNIT CHANGE	HOME OWNERSHIP CHANGE	RENTER RATE CHANGE	MEDIAN RENT CHANGE	MEDIAN HOME VALUE CHANGE
Northeast	3.61%	6.64%	-4.60%	11.37%	20.96%	4.56%
Midwest	4.04%	-10.04%	-4.76%	18.97%	15.65%	-0.84%
South	10.87%	-9.88%	-5.71%	28.47%	21.69%	6.90%
West	6.67%	-19.39%	-4.02%	18.43%	25.20%	8.06%

Source: U.S. Census Bureau; American Community Survey (2008 and 2016)

# NATIONAL TRENDS

## 1 OVERALL PRODUCTION IS DOWN

Total housing production is at its lowest levels in years, falling to about 50% to 60% of the 2006 peak. However, multi-family activity, as a percentage of total output, has soared with most production oriented to the rental market rather than the homeownership market. Data indicate these housing deliveries, whatever their form, are below the numbers necessary to satisfy the pace of average population growth in most parts of the country. So far, the larger marketplace remains slow to respond.

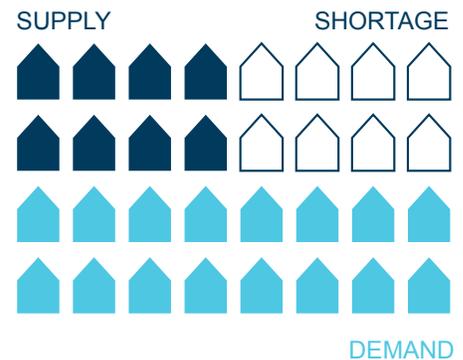


**NATIONAL PRODUCTION**

Source: RCLCO Real Estate Advisors; GAI Consultants, Inc.

## 2 DEMAND EXCEEDS SUPPLY

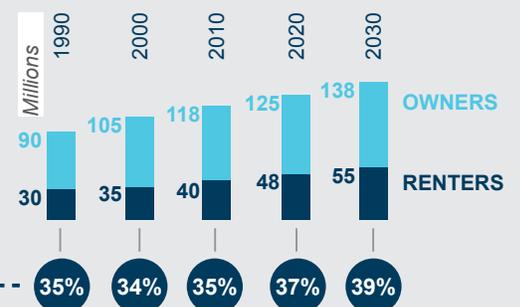
The gap between production and a normal level of inventory is a major explanation for increasing housing prices. Nationally, housing completions are matching those generally experienced in the 10 years from 1968 to 1978, even as the nation's population has pushed well past 300,000,000 people. Historic housing data indicate there are only about 10 years in the last 50 with fewer total completions than 2017.



**HOUSING PRODUCTION DIAGRAM**

## 3 SUBSTANTIAL SHIFT TO RENTING

There has been a material shift away from homeownership toward renting. Between 1990 and 2010, the marketplace strongly favored homeownership, often in the form of increasingly large single-family homes.



Renters As a Share of All Households ---

**PROJECTED U.S. HOMEOWNERSHIP RATES**

Source: Urban Institute, Social & Economic Policy Research

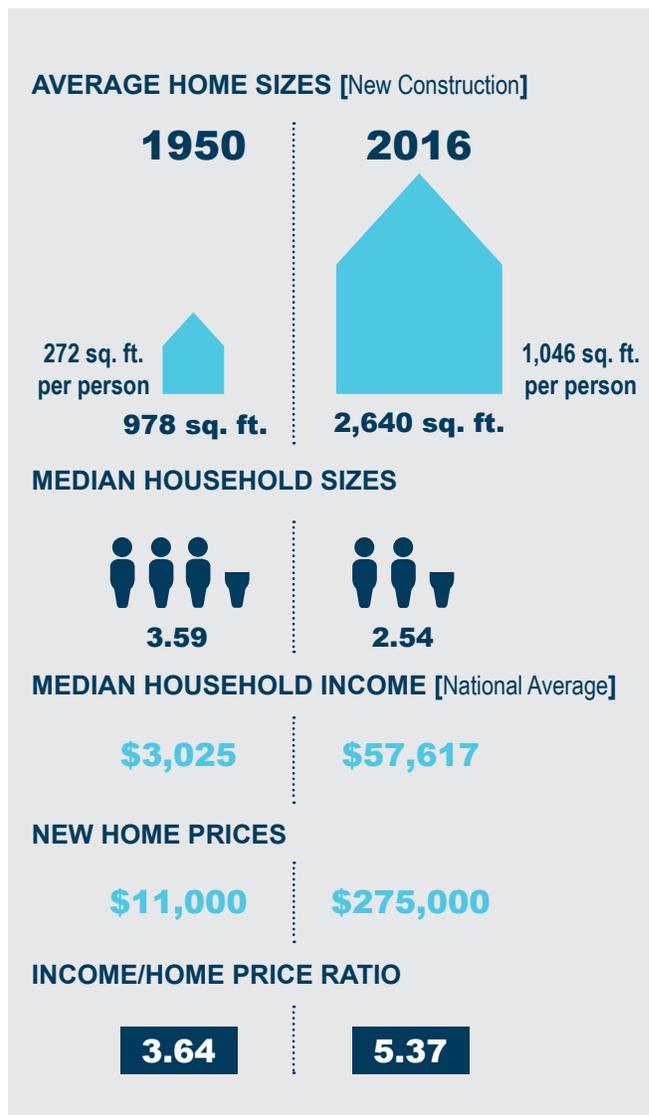
## 4 LARGER UNITS AND HIGHER HOME PRICES

Going back to 1950, the average size of a new home constructed was about 978 square feet, occupied by 3.59 persons. This unit sold for approximately \$11,000, representing about 3.64 times the median household income. Housing cost became increasingly favorable relative to income until around 1990, when those costs zoomed to more than 4.32 times income. As of 2016, the average new home size had increased to about 2,600 square feet while household size decreased to 2.54 persons. More details are shown in tables on page 23.

The effect of these changing relationships is that the typical person residing in a single-family home today occupies more space than an entire family did in 1950. Clearly, a shift in consumer preferences has largely pushed this change.

Expectations about personal housing requirements, not just basic needs, contribute to a major imbalance in cost and efficiency. This imbalance suggests financial resources are overallocated to housing as a consumer good rather than simply shelter. As the occupied home size has grown, so has the distortion between household income and average price.

In this context, it is ironic that over the last 20 years — even as home sizes, prices and mortgage rates soared — the share of households in rental units typically did not exceed about 35% of total occupied units. There has been a substantive shift in this share recently, as multi-family rental units have come to dominate housing construction activity. The Urban Institute says that the share of renting households could reach almost 40% by 2030. In the City of Orlando, the share of renters already well exceeds this percentage.



Source: U.S. Census Bureau; HUD User; GAI Consultants, Inc.

## 5 RENTS MOVING UP MORE QUICKLY THAN SALES PRICES

For the homebuyer, even as selling prices are up, the factors affecting the cost of occupancy (principal, interest, taxes and insurance) have remained relatively stable. While the Federal Reserve's recent interest adjustments will have an impact, at the moment, mortgage rates are at near historic lows, and lenders have shown an easing of credit restrictions. Historically, rents and housing prices tended to increase at about the same rates. That relationship has changed in the last few years, as shown in the graph. Bumps in rental rates now largely exceed increases in housing prices. There is now a large spread in the upward movement of rents relative to housing prices.

### MEDIAN ASKING PRICE FOR SALE AND RENTAL UNITS (1995-2017)



Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey (January, 2018)

### HISTORIC RELATIONSHIP BETWEEN NEW HOME PRICE AND HOUSEHOLD INCOME

YEAR	AVERAGE PRICE OF NEW HOME (\$)	PRICE/SQ. FT.(\$)	MEDIAN HOUSEHOLD INCOME (\$)	PRICE RELATIVE TO INCOME	PRICE OF NEW 1,700 SQ. FT. HOME	HOUSEHOLD TO INCOME RATIO
1950	11,000	11	3,025	3.64		
1960	16,500	13	5,600	2.95		
1970	26,500	17	8,730	3.04		
1980	76,400	45	17,700	4.32	76,400	4.32
1990	149,800	73	29,943	5.00	124,224	4.15
2000	207,000	91	42,100	4.92	155,364	3.69
2007	313,600	123	48,201	6.33	209,157	4.34
2010	272,900	121	51,144	5.33	205,700	4.02
2016	360,900	137	57,617	6.26	232,900	4.04

Source: U.S. Census Bureau; HUD User; GAI Consultants, Inc.

### HISTORIC RELATIONSHIP BETWEEN PRICE, HOUSING SIZE AND FAMILY SIZE

YEAR	SIZE OF HOUSEHOLD	AVERAGE NEW SIZE HOME (SF)	SF PER PERSON	AVERAGE PRICE OF NEW HOME (\$)	INCREASE IN AVERAGE PRICE
1950	3.59	978	272	11,000	
1960	3.33	1,230	369	16,500	50%
1970	3.14	1,575	502	26,500	61%
1980	2.76	1,700	616	76,400	188%
1990	2.63	2,050	779	149,800	96%
2000	2.62	2,265	865	207,000	38%
2007	2.56	2,521	968	313,600	51%
2010	2.58	2,392	874	272,900	-13%
2016	2.54	2,640	1046	360,900	33%

Source: U.S. Census Bureau; HUD User; GAI Consultants, Inc.

## REGIONAL TRENDS

*Housing production has remained focused on the larger single-family home — the product the industry believes the buyers want. There is an obvious mismatch between the size of the housing unit demanded and that required based on the shrinking family size and financial resources available.*

Lower total housing production is a special challenge for those with the most limited incomes. Effectively, the deficit in housing production, long tilted toward an ownership model, is now being addressed by rental housing with no immediate signs of rents becoming more affordable.

This shift is driving up home prices for those interested in homeownership, but the stress lines are particularly observable in the demand for rental product, where the most disadvantaged households remain concentrated.

As the housing shortfall is being satisfied partially with rental units, the gap between income and housing needs becomes substantially wider. Rents are overwhelming the resources of those in need because of their limited financial resources.

Possible alternatives to the large-tract home and the conventional multi-family rental unit are largely unknown in this region. Data from the accompanying graphics and tables (see page 25) evidence the mismatch between the size of units required by the most financially-burdened households and the actual inventory.

About 59% of the region's households have only one or two people — many of them comprising of the elderly or a single parent with a child. At the same time, more than 60% of the region's housing inventory is single-family homes with three or more bedrooms.

There is also competing evidence from various industry and academic groups suggesting that the homebuilding industry is delivering what its information and analysis indicates are the products most responsive to targeted users and buyers. However, there are many households who do not fit the industry's demographic profile, and no one is stepping in to meet their demands. To make these builders a part of the solution, there must be reasons and inducements for them to be engaged and seek new types of customers.

To address this obvious concern, all members of the community must be involved in the housing affordability conversation, and many different solutions must be discussed.

# 1 THE SHARE OF HOMEOWNERS IS DECLINING

**55%** OF THE PEOPLE LIVING IN THE REGION OWN

**45%** OF THE PEOPLE LIVING IN THE REGION RENT

	BY TENURE				BY INCOME GROUP (2016)					
	2010		2016		\$0 - \$20K		\$20K - \$35K		\$35K - \$50K	
	Owner	Renter	Owner	Renter	Owner	Renter	Owner	Renter	Owner	Renter
ORANGE COUNTY <sup>1</sup>	65%	35%	60%	40%	38%	62%	44%	56%	55%	45%
CITY OF ORLANDO	40%	60%	35%	65%	20%	80%	23%	77%	30%	70%
OSCEOLA COUNTY	65%	35%	60%	40%	41%	59%	53%	47%	54%	46%
SEMINOLE COUNTY	74%	26%	64%	36%	47%	53%	51%	49%	58%	42%

<sup>1</sup> Data for Orange County includes all jurisdictions except City of Orlando.

Source: U.S. Census Bureau; American Community Survey (2016); GAI Consultants, Inc

# 2 THE SIZE OF THE HOUSEHOLD IS GETTING SMALLER

 or  **59%** OF THE HOUSEHOLDS HAVE ONE OR TWO PEOPLE

 **17%**

 + **24%**  
SIZE OF HOUSEHOLDS REGION'S AVERAGE

SIZE OF HOUSEHOLDS	1-2	3	4 +
ORANGE COUNTY <sup>1</sup>	53%	18%	29%
CITY OF ORLANDO	67%	15%	18%
OSCEOLA COUNTY	52%	18%	30%
SEMINOLE COUNTY	64%	16%	20%

<sup>1</sup> Data for Orange County includes all jurisdictions except City of Orlando.

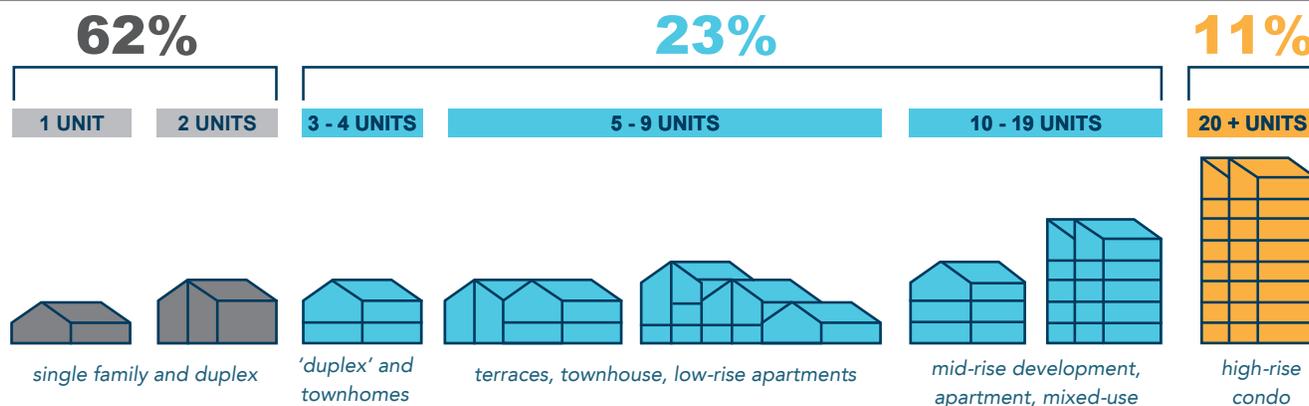
Source: U.S. Census Bureau; American Community Survey (2016); GAI Consultants, Inc.

PERCENTAGE OF HOUSEHOLDS BY SIZE

# 3 MOST HOUSING UNITS ARE GETTING BIGGER

**60%** OF THE UNITS HAVE 3 OR MORE BEDROOMS

**40%** ARE STUDIOS OR 1-2 BEDROOM UNITS



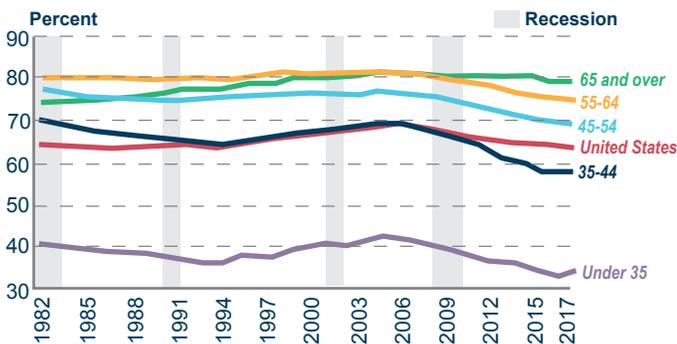
Source: U.S. Census Bureau; American Community Survey (2016); GAI Consultants, Inc.

# HOUSING CHOICES IN THE REGION

## SOCIAL FACTORS

Households headed by a person older than 55 years of age are strongly invested in ownership units. This age group has consistently exceeded an ownership rate of 75%. Households headed by someone under 35 have generally averaged homeownership rates of about 35% to 40%.

**ANNUAL HOMEOWNERSHIP RATES FOR THE UNITED STATES BY AGE GROUP (1982-2017)**



Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey, 2017; recession data from the National Bureau of Economic Research

To the degree that this younger population group influences the Central Florida demographic picture, it can be difficult to shift away from a rental dominated marketplace.

The 35-44 age group seeds the homeownership market. According to the National Association of Realtors' *2018 Home Buyer and Seller Generational Trends Report*, demand patterns in this and other age groups still indicate preferences for the same housing products so prevalent over the last several decades: an increasingly larger detached single-family home on a moderately larger sized lot. Builders, in part, respond to this pattern of demand and continue to deliver conventional products. To accommodate the youngest members of this population effectively means many may have to be suburbanites.

In the Central Florida region, this spreading pattern of suburbanization and lower cost has made residential areas in several outlying counties tied to the Orange County job market popular locations. This commuting population involves a very large number of people. Consequently, they are an obvious target of the building industry, which is drawn to areas where land costs are lower.

## HOUSING DELIVERIES

Based on data from *Builder Magazine*, a publication by the National Association of Homebuilders (NAHB), the larger Orlando area is highly concentrated among a limited number of builders.

As a result, homes are constructed in volume, relatively uniform in size (increasingly larger), detached (on lots that don't appear materially smaller than several years ago) and in settings increasingly distant from job centers.

For the homebuilding industry, this basic approach to housing delivery is a logical and appropriate model, especially in a market where volume is required to address most of the demand and reduce housing cost. The adopted strategy also mitigates risk in a nominally predictable way within a very high-risk business activity.

As the large gap between consumer demand and actual housing deliveries supports higher housing prices, there are no obvious reasons for the housing industry to rethink its delivery methods. More logically, there is little incentive to adopt a business model departing from years of practice and certainty.

At the same time, even with the slower pace of activity, NAHB says profits are down nationally. The pressures of sustaining profits may open the door to

new housing models that could capture much of the findings of broad interest groups and professionals calling for better, smarter and less expensive homes. Government, however, plays a role in this model if risk assessment is to be understood from the housing industry's point of view.

## FINANCING

### HOUSING MARKET

In the next few months, Central Florida's housing market is likely to experience upward movements in both housing prices and interest rates. Prices had been somewhat more elastic because mortgage rates hovered near historic lows and credit sources had become relatively plentiful for qualified developers, builders and buyers.

As interest rates go up, development costs increase. Even if the sale price of a home remains static, housing affordability is diminished because payments themselves go up. Rents are much less elastic than mortgage payments. Due to the fact that they fall in a much tighter range, rents could be affected much more adversely than mortgage payments for homeownership products.

Developers, builders, financial institutions and mortgage providers separate their business interests and evaluate each undertaking as though it is unrelated. It is harder for untested concepts and strategies to gain a foothold in the market. Consequently, departures from the conventional business models are likely to seek at least modest political support from the public sector.

Precisely what this support or inducement might be from government or policy makers is not clear. Usually, attention by the housing industry focuses on

the cost of regulation. The industry often explains that regulation is difficult and may not add obvious value at some price points. Striking the right balance between inducements, performance and rewards is an issue that needs a regional discussion, which the partnering jurisdictions have started.

### MORTGAGE PAYMENTS AND RENTS

As for how money becomes available and is allocated to housing expenditures by individuals and households — those decisions are generally the domain of the larger lending industry. The industry follows historical and fairly strict patterns stemming from guidelines followed by HUD, Fannie Mae and Freddie Mac.

The **general underwriting** rule for home buyers is that the total principal, interest and taxes should not exceed 25% to 30% of gross (pretax) income. Utilities fall outside of this percentage as a fixed obligation which might enable one to raise this percentage modestly, assuming total fixed financial obligations are no more than 40%. These percentages tend to mirror those prescribed by HUD for its various assistance programs.

Upward trends in housing prices and interest rates will have a very direct impact on these percentages and guidelines as the costs for principal and interest increase commensurately.

Effectively, there are no formal expenditure **guidelines** for **renters**. Practically, however, renters should consider thresholds similar to those regulating federal and local programs when establishing their housing budgets, typically about 30%. As for the actual acceptable percentage deemed affordable, the costs for utilities and other amenities may be included within rents such that a percentage higher than 30% is manageable.

## TRANSPORTATION COST AND HOUSING CHOICE

*Almost without exception, the less affluent have substituted higher transportation costs for lowered housing costs. A less expensive unit is typically available at a greater distance from work, schools and services.*

Greenfield development is typically less costly to implement, and there is little disagreement that the cost of underlying land supporting such development is much lower than that for urbanized land. During the recession, more distant locations and housing were among the most adversely affected. There seems to be a return to more suburban patterns of development activity, and the housing industry reports that the larger products and lower prices in these locations are the preference of consumers.

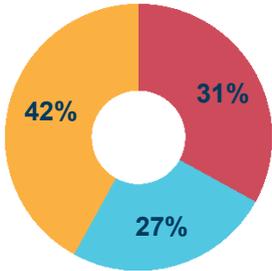
Nationally, the Center for Neighborhood Technology estimates that the typical household spent 12% of its household budget in 2016 on transportation costs. The organization recommends that the maximum should be no more than about 15%. These costs reflect a combination of mileage driven, the number of cars in the household, repairs, insurance and other expenses. To the extent that transportation costs can be lowered, the inference is that some, if not all, of the avoided costs could be reallocated to housing expenditures.

In this region of Florida, applying the Center's Housing and Transportation Mobility Index (see chart on page 29), the maximum costs should be around \$7,315 per year or about \$610 per month to satisfy the prescribed percentages. While Osceola County has the highest annual transportation cost at \$13,198, Orange County, Seminole County and the City of Orlando costs range from \$11,000 to \$13,000 — all well above the targeted 15% or \$7,315 annual estimate for this region. To place this sum in perspective, if only \$4,200 (\$350 per month and just a portion of the estimated savings) were redirected to housing at interest rates of about 4%, these additional resources could support about \$73,000 in mortgage proceeds. This sum represents about one-third of the average home sales price in the broader area today, so it is not an insignificant amount.

To facilitate this reallocation, local governments should consider a combination of factors, beginning with enhanced locational choices and infrastructure that facilitate efficient transportation and housing options. Typically, these options involve greater density in highly urbanized sites; the availability of convenient transit systems and emphasis on walkability; and better integration of land uses that enable jobs, services and other non-residential activities to be sited near residential areas. Such measures require substantial rethinking of basic regulatory controls, and the supporting infrastructure can take many years to implement. Regardless, given the financial impacts to a typical household, transportation priorities and their costs must be major considerations in the affordability discussion.

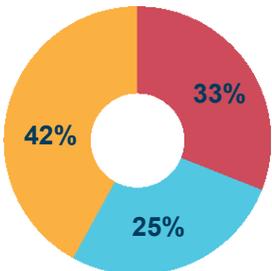
**AVERAGE HOUSING AND TRANSPORTATION COST**

■ Housing 
 ■ Transportation 
 ■ Remaining Income



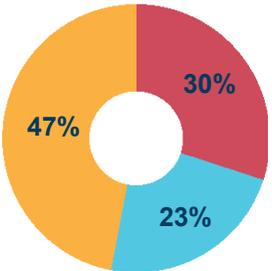
**OSCEOLA COUNTY**

**\$13,198**  
 Annual Transportation Cost  
**1.84**  
 Vehicles Per Household  
**22,425**  
 Average Household Vehicle Miles Traveled



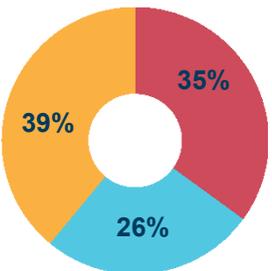
**ORANGE COUNTY**

**\$12,360**  
 Annual Transportation Cost  
**1.73**  
 Vehicles Per Household  
**20,455**  
 Average Household Vehicle Miles Traveled



**CITY OF ORLANDO**

**\$11,041**  
 Annual Transportation Cost  
**1.55**  
 Vehicles Per Household  
**17,787**  
 Average Household Vehicle Miles Traveled



**SEMINOLE COUNTY**

**\$12,923**  
 Annual Transportation Cost  
**1.80**  
 Vehicles Per Household  
**21,941**  
 Average Household Vehicle Miles Traveled

Source: Center for Neighborhood Technology, Housing and Transportation Mobility Index

# FRAMEWORK

## Regional Mission, Goals, Strategies & Tools

Through an open exchange supported by evidence-based research as well as outside opinions and advice, the partners have identified a common mission, goals, strategies and tools to address Central Florida’s housing need.

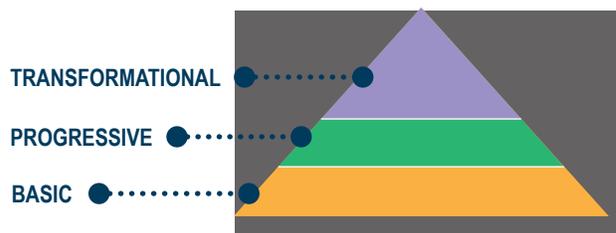
There is a strong commonality and purpose among the jurisdictions tied to five key goals: Create, Diversify, Preserve, Integrate and Educate. Joined by these five unified goals, the identified strategies and tools will mature more rapidly and receive greater exposure than if encouraged ad hoc by individual jurisdictions without consideration of the practices in neighboring settings.

The framework explicitly advises that certain changes will be more substantive than others, while it also accepts that each participating jurisdiction may define its needs differently. Some are small policy modifications, while others require a major commitment of time and resources. Some can occur quickly and have been characterized as short term (1 to 3 years). Others are expected to take several years and are characterized as long term (4 to 10 years).

The shared approach outlined over the next several pages is a framework identifying inducements tied to regulatory alternatives, financial commitments, partnership opportunities and other resources. They stem from community discussions, interactions with developers, research about best practices and staff evaluations. Together, these tools are intended to encourage housing solutions targeted at the region’s populations most in need of affordable housing.

The combined efforts seek to induce new kinds of housing, greater diversity in the price points available in each partnership jurisdiction, a mix of large and small residential communities, and an overall awareness of the housing circumstances faced by our residents and businesses.

All tools will not be equally effective, and some certainly require more time and effort than others. As a way of illustrating what impacts these tools could have, they are classified as shown in the graphic below.



**Basic** tools extend from existing and current planning practices and are mainly preparatory to other measures. Without these tools in place, further policy advancements seem more difficult or challenging. In large measure, they respond to the comments of those in the industry and should expedite normal housing deliveries. They will facilitate goals at the margin.

**Progressive** tools represent substantial efforts and could have major impacts on how housing is delivered, where it is delivered and by whom. They are well beyond the basic tools, but their ultimate impacts are conjectural and will depend on the ways they are executed. In effect, they are creating new systems of housing delivery.

**Transformational** tools seem the most likely to move the needle because they can be easily benchmarked against targeted numbers. These transformational ideas are substantively dependent upon basic and progressive tools.

# REGIONAL AFFORDABLE HOUSING FRAMEWORK

**A MISSION** Establish a regional framework for addressing housing needs and opportunities in Central Florida

**B GOALS**

- 1 CREATE**  
 Increase the housing supply to meet the needs of all current and future residents.
- 2 DIVERSIFY**  
 Encourage diversity of housing types and energy-efficient housing.
- 3 PRESERVE**  
 Preserve existing affordable housing stock, including financially assisted & rent-restricted units.
- 4 INTEGRATE**  
 Promote social and economic integration.
- 5 EDUCATE**  
 Improve financial literacy and education of future home renters and buyers.

**C STRATEGIES**

- Review and modify development regulations to support a broad range of housing types.
  - Promote adaptive reuse of existing nonresidential structures.
  - Encourage mixed-income housing through new regulations and creative funding mechanisms.
  - Facilitate partnerships with nonprofit and public agencies, and private industry.
  - Identify potential sites for affordable housing in Areas of Access and Opportunity.
  - Promote state housing legislation that supports affordable housing efforts.
- Explore financing mechanisms and development concepts that support “Missing Middle” and mixed-income development.
  - Encourage various types of live-work units as an affordable workspace and housing solution.
  - Increase the availability of development sites by establishing or expanding mixed-use zoning districts.
  - Promote sustainable building and infrastructure standards and techniques that improve energy and water efficiency.
- Encourage rehabilitation of existing residential buildings.
  - Identify properties with expiring affordability covenants and prioritize preservation efforts within Areas of Access and Opportunity.
  - Build the capacity of nonprofit housing developers to acquire and preserve at-risk properties.
  - Develop incentives for owners of financially assisted and rent-restricted units to extend their affordability contracts.
  - Establish regional and local gap financing sources for preservation transactions.
- Promote mixed-income communities by encouraging integration of affordable housing throughout the region.
  - Encourage affordable housing near employment centers, transit and essential community services.
  - Support mixed-use, walkable neighborhoods connected by transit.
  - Expand entrepreneurship opportunities by encouraging greater emphasis on small-scale and “Missing Middle” housing.
- Establish a comprehensive marketing plan to increase awareness of housing affordability resources.
  - Establish a campaign to educate the community on factors that affect housing affordability.
  - Expand pre-purchase education and training to include one-on-one homeownership counseling.
  - Partner with higher education institutions, hospitals, and employers to support investments in workforce education and training.

**D TOOLS**

		SHORT TERM	LONG TERM			SHORT TERM	LONG TERM
<b>REGULATORY TOOLS</b>				<b>FUNDING SOURCES</b>			
<b>ALTERNATIVES</b>				<b>PARTNERSHIP OPPORTUNITIES</b>			
Modification of Existing Standards to Reduce Barriers		●		Housing Trust Fund		●	●
Review Existing Land Inventory for Potential Affordable Housing Sites		●		Land Banking Through Community Land Trusts			●
Reduce Accessory Dwelling Unit (ADU) Requirements		●		Multi-Family Bonds with 4% and/or 9% Tax Credits		●	
Access & Opportunity Model			●	<b>ADDITIONAL RESOURCES</b>			
Inclusionary Housing Program			●	Shimberg Center’s Assisted Housing Inventory			
Reduce/Eliminate Minimum Living Area Requirements		●		Incremental Development Alliance			
Pilot Projects		●	●	Mixed-Income Housing Funding Mechanisms (HUD)			
Linkages Fees		●	●				
<b>FINANCIAL &amp; DEVELOPMENT INCENTIVES</b>							
Expedited Permitting		●					
Density/Intensity Bonus		●					
Flexible Lot Configurations (i.e., setbacks, open space, etc.)		●					
Reduce Parking Requirements		●					
Impact Fee Reduction/Subsidy		●	●				
Increase/Eliminate Household Occupancy Limits		●					
Adaptive Reuse (Land Use Flexibility)		●	●				

## GOALS, STRATEGIES, TOOLS & RESOURCES

### 1 **CREATE** Increase the housing supply to meet the needs of all current and future residents.

1 Review and modify land development regulations to support a broad range of innovative housing types.

- **Tools:** Modification of Existing Standards; Reduce ADU Requirements; Reduce/Eliminate Minimum Living Area Requirements; Flexible Lot Configurations; Parking Reductions; Pilot Projects; Build Advocacy Network/Engage with State Policymakers

2 Promote adaptive reuse of existing nonresidential sites and structures to provide additional housing opportunities.

- **Tools:** Adaptive Reuse; Modification of Existing Standards

3 Encourage development of mixed-income housing through new regulations and creative funding mechanisms.

- **Tools:** All Regulatory Alternatives; All Financial & Development Incentives; All Funding Sources; Regional Revolving Loan Pool

4 Facilitate partnerships among nonprofit agencies, non-governmental organizations, public agencies, and private industry to develop the broadest possible range of housing types.

- **Tools:** All Partnership Opportunities

5 Analyze feasibility of affordable housing on undeveloped, underutilized or publicly owned lands located in Areas of Access and Opportunity.

- **Tools:** Review Existing Land Inventory for Potential Affordable Housing Sites; Access and Opportunity Model

6 Promote state housing legislation, including dedicating Sadowski Funds solely for Florida's affordable housing programs, and expand the use of property tax abatements for affordable housing projects.

- **Tools:** Build Advocacy Network/Engage with State Policymakers; Public Partnerships; Public-Nonprofit Partnerships

### 2 **DIVERSIFY** Encourage diversity of housing types and energy-efficient housing.

1 Explore financing mechanisms and development concepts that support "Missing Middle" housing products and mixed-income development.

- **Tools:** Inclusionary Housing Program; Linkage Fee; Housing Trust Fund

2 Encourage various types of live-work units as an affordable workspace and housing solution.

- **Tools:** Inclusionary Housing Program; Linkage Fee; Housing Trust Fund

3 Increase the availability of development sites by establishing or expanding mixed-use zoning districts.

- **Tool:** Modification of Existing Standards

4 Promote sustainable building and infrastructure standards and techniques that improve energy and water efficiency to reduce housing operating costs.

- **Tools:** Modification of Existing Standards; Housing Trust Fund

### 3 PRESERVE Preserve existing affordable housing stock, including financially assisted and rent-restricted units.

#### 1 Encourage rehabilitation of existing residential buildings.

- **Tools:** Housing Trust Fund; Modification of Existing Standards

#### 2 Identify properties with expiring affordability covenants and prioritize preservation efforts for existing affordable housing developments located within Areas of Access and Opportunity.

- **Tools:** Land Banking through CLTs; Access and Opportunity Model; Housing Trust Fund
- **Resource:** Shimberg Center's Assisted Housing Inventory

#### 3 Build capacity of local nonprofit housing developers to acquire and preserve at-risk properties.

- **Tools:** Community Land Trusts; Public-Nonprofit Partnerships

#### 4 Develop incentives for owners of financially assisted and rent-restricted units to extend their affordability contracts beyond the initial compliance period.

- **Tools:** Public-Private Partnerships; Housing Trust Fund

#### 5 Establish regional and local gap financing sources for preservation transactions.

- **Tools:** Regional Revolving Loan Pool; Housing Trust Fund; Community Land Trusts

### 4 INTEGRATE Promote social and economic integration.

#### 1 Promote mixed-income communities by encouraging integration of affordable housing throughout the region.

- **Tools:** Inclusionary Housing Program; Access and Opportunity Model
- **Resource:** Mixed-Income Housing Funding Mechanisms (HUD)

#### 2 Encourage affordable housing near employment centers, transit, and essential community services.

- **Tools:** Inclusionary Housing Program; Access and Opportunity Model

#### 3 Support mixed-use, walkable neighborhoods connected by transit.

- **Tools:** Modification of Existing Standards; Flexible Lot Configurations; Parking Reductions; Pilot Projects

#### 4 Expand entrepreneurship opportunities by encouraging greater emphasis on small-scale and "Missing Middle" housing.

- **Tools:** Partnerships with Higher Education Institutions/Hospitals/Employers; Pilot Projects
- **Resource:** Incremental Development Alliance

### 5 EDUCATE Improve financial literacy and education of future home renters and buyers.

#### 1 Establish a comprehensive marketing and communications plan to increase awareness of housing affordability resources.

- **Tools:** Public Partnerships; Community Land Trust
- **Resource:** Florida Housing Finance Directory

#### 2 Collaborate with nonprofit organizations to establish a campaign geared toward educating the community on factors that affect housing affordability.

- **Tool:** Public-Nonprofit Partnership

#### 3 Support the efforts of local nonprofit agencies by expanding pre-purchase education and training to include one-on-one counseling aimed at preparing very low-, low-, and moderate-income households for future homeownership.

- **Tools:** Public-Nonprofit Partnerships; Community Land Trust

#### 4 Partner with higher education institutions, hospitals, and employers to support investments in workforce education and training to help householders qualify for stable and better-paying jobs.

- **Tool:** Partner with Higher Education Institutions/Hospitals/Employers

## TOOLS & RESOURCES

### 1 REGULATORY TOOLS ■ Basic ■ Progressive ■ Transformational

#### REGULATORY ALTERNATIVES

#### DEFINITION

##### **Modification of Existing Standards to Reduce Barriers**

Current land development regulations present several barriers to housing opportunities. Local government should continually review regulations and modify as necessary to promote housing affordability and diversity.

##### **Review Existing Land Inventory for Potential Affordable Housing Sites**

Identifying potential undeveloped, underutilized or publicly owned sites for affordable housing development allows local government to actively plan for housing production. Sites within areas of Access and Opportunity should be considered a top priority.

##### **Reduce Accessory Dwelling Unit (ADU) Requirements**

An accessory dwelling unit (ADU) is an additional living space on a single-family lot that is independent of the primary dwelling unit (may be attached or detached). Typically, an ADU is smaller than the single-family home, and the homeowner must live on the property.

##### **Access & Opportunity Model**

A GIS-based model developed by the University of Florida's Shimberg Center for Housing Studies, which identifies areas that could be better suited for locating affordable housing. Identifying locations is based on indicators such as proximity to public transportation and major employment centers, and availability of community resources and services.

##### **Inclusionary Housing Program**

Inclusionary Housing programs either provide incentives or require a percentage of new residential development to be affordable to low- and/or moderate-income households. This is an effective approach to promoting mixed-income communities.

##### **Reduce/Eliminate Minimum Living Area Requirements**

Many jurisdictions have minimum floor area requirements, which regulate the size of residential buildings.

##### **Pilot Projects**

A small-scale, initial implementation whose purpose is to evaluate the feasibility of new concepts. It serves as a means of testing an affordable housing development opportunity, and can lead to a permanent application.

##### **Linkage Fees**

Linkage fees require that developers pay a fee per square foot of new development, which is deposited into an affordable housing trust fund and used to facilitate construction of affordable housing.

CONSIDERATIONS	MAJOR PROS & CONS	SHORT TERM (1-3 Years)	LONG TERM (4-10 Years)
<ul style="list-style-type: none"> <li>• Already underway or implemented in some of the partner jurisdictions. Continued refinement may be necessary.</li> <li>• Could include provisions for site size, accessory units, minimum structure size, open space, household or occupancy requirements, and enhanced approval procedures.</li> </ul>	<ul style="list-style-type: none"> <li>• Potentially among the easiest tools to implement.</li> <li>• Wide variation in regulatory processes and policies across jurisdictions today.</li> </ul>	●	
<ul style="list-style-type: none"> <li>• Already underway or implemented in some of the partner jurisdictions. Continued refinement may be necessary.</li> <li>• This may be a labor-intensive undertaking but could work well with the Access and Opportunity model described further below.</li> </ul>	<ul style="list-style-type: none"> <li>• Local governments control many properties that could be used for affordable housing.</li> <li>• A large share of these properties has come under government ownership due to a number of physical, financial or legal deficiencies.</li> <li>• After sites are identified, construction funding options will need to be explored.</li> </ul>	●	
<ul style="list-style-type: none"> <li>• Already underway or implemented in some of the partner jurisdictions. Continued refinement may be necessary.</li> </ul>	<ul style="list-style-type: none"> <li>• May induce privately implemented affordable housing in many areas that are otherwise closed or restricted for such housing.</li> <li>• May be resisted in these same neighborhoods.</li> </ul>	●	
<ul style="list-style-type: none"> <li>• Requires extensive data gathering. This tool is best used in tandem with other initiatives or strategies.</li> </ul>	<ul style="list-style-type: none"> <li>• Once data is collected, provides an objective tool to quickly identify targeted areas appropriate for incentives and other inducements.</li> <li>• Likely to identify some of the more costly sites where affordable housing will be financially difficult.</li> </ul>		●
<ul style="list-style-type: none"> <li>• Voluntary or involuntary programs</li> <li>• Percentage threshold for meaningful production</li> <li>• Fees in lieu of units</li> <li>• Funding and incentives</li> <li>• Location specific</li> <li>• Requires many studies to identify specific of the program.</li> </ul>	<ul style="list-style-type: none"> <li>• Typically implemented as a percentage of actual production, this tool may be an approach with the largest potential impact.</li> <li>• Voluntary approaches require major incentives.</li> </ul>		●
<ul style="list-style-type: none"> <li>• Already underway or implemented in some of the partner jurisdictions. Continued refinement may be necessary</li> <li>• May induce housing for the Missing Middle.</li> </ul>	<ul style="list-style-type: none"> <li>• Affordability is correlated to size and location among other variables.</li> <li>• In the past, small size has been perceived as a negative factor in long-term neighborhood sustainability.</li> </ul>	●	
<ul style="list-style-type: none"> <li>• Threshold eligibility and focus will need to be determined.</li> </ul>	<ul style="list-style-type: none"> <li>• May be a very flexible means of implementing a new concept or strategy without creating a permanent system or obligation.</li> <li>• These “one-off” projects draw resources from other ideas and programs with demonstrated effectiveness.</li> </ul>	●	●
<ul style="list-style-type: none"> <li>• Must be implemented in a manner comparable to impact fees.</li> <li>• A threshold for meaningful production or implementation.</li> <li>• Can be applied to residential or non-residential development.</li> </ul>	<ul style="list-style-type: none"> <li>• Can be a major source of continued capital funding for a variety of affordable housing initiatives.</li> <li>• May be among the more politically contentious options.</li> </ul>	●	●

**REGULATORY TOOLS** ■ Basic ■ Progressive ■ Transformational  
(continued)

FINANCIAL & DEVELOPMENT INCENTIVES	DEFINITION
<b><i>Expedited Permitting</i></b>	<i>Expediting review and permitting processes for projects that include affordable housing units reduces delays and costs for new development — but requires staff time and expertise. Reduced development expenses aid in the construction of affordable housing without compromising quality.</i>
<b><i>Density/Intensity Bonus</i></b>	<i>Permits developers to construct a greater number of dwelling units or commercial floor area per acre than would otherwise be permitted through regular zoning.</i>
<b><i>Flexible Lot Configuration</i></b>	<i>Flexible lot configurations include zero-lot-line configurations and reductions in minimum lot sizes, setbacks and open space requirements.</i>
<b><i>Parking Reductions</i></b>	<i>Local zoning rules require all residential development to include a minimum amount of parking spaces. Reducing the parking requirement for projects that include affordable units can result in significant construction cost savings.</i>
<b><i>Impact Fee Reduction/Subsidy</i></b>	<i>Impact fees are charged on new development to help pay for public infrastructure required to accommodate the new development. The fees charged are for services such as transportation, schools, water, solid waste and wastewater.</i>
<b><i>Increase/Eliminate Household Occupancy Limits</i></b>	<i>Some jurisdictions impose a household occupancy limit, which sets a maximum number of unrelated persons who can live within a household.</i>
<b><i>Adaptive Reuse (Land Use Flexibility)</i></b>	<i>The process of re-purposing buildings or sites for a different use than it was originally designed, providing innovative housing opportunities.</i>

CONSIDERATIONS	MAJOR PROS & CONS	SHORT TERM (1-3 Years)	LONG TERM (4-10 Years)
<ul style="list-style-type: none"> <li>• Already underway or implemented in some of the partner jurisdictions.</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstrates that affordable housing is a priority. • Substantive changes in procedures are likely required to have material impact on production and cost savings.</li> </ul>	●	
<ul style="list-style-type: none"> <li>• Already underway or implemented in some of the partner jurisdictions. • Requires a careful consideration of costs and existing regulatory framework to weigh the financial benefits of inducing desired development.</li> </ul>	<ul style="list-style-type: none"> <li>• Density bonuses are not generally considered by the housing industry to be an unusual or difficult process to implement. • While density can reduce land costs, many of those savings can be lost to higher construction costs.</li> </ul>	●	
<ul style="list-style-type: none"> <li>• Already underway or implemented in some of the partner jurisdictions. • May induce housing for the Missing Middle.</li> </ul>	<ul style="list-style-type: none"> <li>• Affordability is correlated to size and location, among other variables. • In the past, small lot size has been perceived as a negative factor in long-term neighborhood sustainability; sometimes perceived as causing declining property values.</li> </ul>	●	
<ul style="list-style-type: none"> <li>• Already underway or implemented in some of the partner jurisdictions. • Suggests transportation options must be a part of the mix for this to be an effective tool. • This approach should involve consultation with developers to ensure that reductions in required parking would be desirable, given the market segments targeted by their development. • Additional studies may be necessary. • May be location specific.</li> </ul>	<ul style="list-style-type: none"> <li>• Can generate an immediate cost reduction, especially among higher density projects where structured parking is needed. • A dynamic tension exists between too much parking and inadequate parking.</li> </ul>	●	
<ul style="list-style-type: none"> <li>• Already underway or implemented in some of the partner jurisdictions. • In Florida, reducing fees for one kind of development can be legally difficult. • They vary significantly by jurisdiction, with school impact fees being among the highest.</li> </ul>	<ul style="list-style-type: none"> <li>• For affordable housing, these costs may be overly burdensome. • Today, the fees must still be paid using some other resource.</li> </ul>	●	●
<ul style="list-style-type: none"> <li>• Already underway or implemented in some of the partner jurisdictions.</li> </ul>	<ul style="list-style-type: none"> <li>• Larger and extended families could access better housing if this legal impediment were removed and codifies what frequently occurs in practice. • No obvious disadvantages</li> </ul>	●	
<ul style="list-style-type: none"> <li>• Obstacles to adaptive reuse are primarily zoning and land use-related more than structural. • The current regulations that will need to be implemented, or modified, vary widely from jurisdiction to jurisdiction.</li> </ul>	<ul style="list-style-type: none"> <li>• Could redeploy a number of large and underutilized properties (sites) no longer deemed suitable for their original purpose. • The opportunities to take advantage of this in any meaningful way are relatively limited in Central Florida. Few buildings could take advantage of this; however, many existing infill sites could be an option.</li> </ul>	●	●

## 2 FUNDING SOURCES ■ Basic ■ Progressive ■ Transformational

### DEFINITION

<b>Housing Trust Fund</b>	<i>Refers to the Sadowski Trust fund, which utilizes a portion of collected document stamps to provide funding for affordable housing throughout Florida.</i>
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<b>Land Banking Through Community Land Trusts</b>	<i>Purchasing land for future housing development and preserving long-term affordability through utilization of the Community Land Trust model.</i>
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<b>Multi-Family Bonds with 4% and/or 9% Tax Credits</b>	<i>Funding of a multi-family development through a 9% tax credit or 4% bonds. The credits can be used to offset federal tax liability. Proceeds from tax credit sales are then used to build affordable units. With a bond option, a developer receives funds through the issuance of bonds with a low interest rate, while the bond holder (usually a local government) receives non-taxable bond payments.</i>
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## 3 PARTNERSHIP OPPORTUNITIES ■ Basic ■ Progressive ■ Transformational

<b>Public-Private Partnerships</b>	<i>A contractual arrangement between a government entity and a private-sector company for the purpose of completing a project that will serve the general public.</i>
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<b>Public Partnerships</b>	<i>A public partnership brings together government and other public entities to leverage their shared resources.</i>
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<b>Public-Nonprofit Partnerships</b>	<i>A collaboration between a government entity and non-profit organization to achieve public service goals.</i>
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CONSIDERATIONS	MAJOR PROS & CONS	SHORT TERM (1-3 Years)	LONG TERM (4-10 Years)
<ul style="list-style-type: none"> <li>• Money is not fully appropriated each year.</li> <li>• There is a need for advocacy at the state level.</li> </ul>	<ul style="list-style-type: none"> <li>• Every housing resource needs to be utilized to achieve a meaningful solution.</li> <li>• Not fully appropriated each year.</li> </ul>	●	●
<ul style="list-style-type: none"> <li>• These kinds of initiatives or programs are typically implemented according to specific guidelines and related to a specific mission or focus. They are likely to have certain resource requirements and will vary by jurisdiction and situation.</li> <li>• Resource allocation</li> <li>• The vehicle for controlling the lands involved</li> <li>• Long-term operation and control</li> </ul>	<ul style="list-style-type: none"> <li>• Secures land for affordable housing for long term (potentially permanently) and pegs it at a certain value, relative to the overall cost of housing.</li> <li>• Much of what can be done through a trust can be implemented using other means.</li> </ul>		●
<ul style="list-style-type: none"> <li>• 9% tax credits are very competitive.</li> <li>• The current major source of multi-family housing in Florida.</li> </ul>	<ul style="list-style-type: none"> <li>• At the jurisdictional level, they are an important program in the housing mix.</li> <li>• These credits are limited in supply, and their current value is being debated. Under the best of circumstances, the nature and form of the program is difficult and well beyond the true control of local governments.</li> </ul>	●	

<ul style="list-style-type: none"> <li>• These kinds of initiatives or programs are typically implemented according to specific guidelines related to a specific mission or focus. They are likely to have certain resource requirements and will vary by jurisdiction and situation.</li> <li>• Engagement of large employers to participate in improving housing outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>• Instrumental to making major policy change across a variety of entities with interests in housing.</li> <li>• Can be a significant challenge to identify and mobilize these interests on a sustained basis.</li> </ul>	●	●
<ul style="list-style-type: none"> <li>• These kinds of initiatives or programs are typically implemented according to specific guidelines related to a specific mission or focus yet to be prepared. They are likely to have certain resource requirements and will likely vary by jurisdiction and situation.</li> </ul>	<ul style="list-style-type: none"> <li>• Allows the public to lead the effort to mobilize policy change and practices.</li> <li>• Can be a significant challenge to identify and mobilize these interests on a sustained basis.</li> </ul>	●	●
<ul style="list-style-type: none"> <li>• These kinds of initiatives or programs are typically implemented according to specific guidelines related to a specific mission or focus. They are likely to have certain resource requirements and will vary by jurisdiction and situation.</li> </ul>	<ul style="list-style-type: none"> <li>• Allows these parties to take the lead to mobilize policy change and practices.</li> <li>• Can be a significant challenge to identify and mobilize these interests on a sustained basis.</li> </ul>	●	●

**PARTNERSHIP OPPORTUNITIES** ■ Basic ■ Progressive ■ Transformational  
(continued)

**DEFINITION**

<b>Community Land Trust (CLT)</b>	A nonprofit, community-based organization designed to ensure long-term housing affordability. The CLT acquires land and retains permanent ownership of it, while providing homeownership opportunities for low-income households. This system allows residents to build equity and earn a fair return on their investment.
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<b>Regional Revolving Loan Pool (SHIP Funds)</b>	Funding for a Community Development Financial Institution (CDFI) to provide loans to non-profits and, potentially, private developers, for the purpose of building affordable housing. The proceeds from home sales are used to pay back the loan and fund future development.
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<b>Partnerships with Higher Education Institutions/ Hospitals/Employers</b>	Major employers can play a large role in extending housing affordability, whether it be through employer-assisted housing programs, childcare assistance or educational/vocational skills training.
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<b>Build Advocacy Network/ Engage with State Policymakers</b>	Building an advocacy network is crucial for increasing awareness of the housing needs of the region. Local government can work with the community and expand its legislative and policy advocacy to promote housing legislation.
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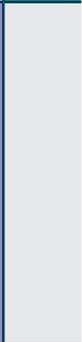
**4 ADDITIONAL RESOURCES**

<b>Shimberg Center’s Assisted Housing Inventory</b>	A database of Florida’s public housing and subsidized rental housing developments.
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<b>Incremental Development Alliance</b>	A nonprofit alliance of practitioners who train small-scale developers through classroom-based and hands-on coaching tools to help promote flexible buildings that enhance neighborhood context.
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<b>Mixed-Income Housing Funding Mechanisms (HUD)</b>	The U.S. Department of Housing and Urban Development provides technical assistance and guidance on how jurisdictions can use HOME funds to support mixed-income housing development.
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<b>Florida Housing Coalition</b>	A nonprofit, statewide membership organization that provides training and technical assistance on affordable housing and related issues, and supports efforts that enhance the availability and quality of affordable housing.
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CONSIDERATIONS	MAJOR PROS & CONS	SHORT TERM (1-3 Years)	LONG TERM (4-10 Years)
<ul style="list-style-type: none"> <li>• These kinds of initiatives or programs are typically implemented according to specific guidelines related to a specific mission or focus. They are likely to have certain resource requirements and will vary by jurisdiction and situation.</li> <li>• Long-term operation and controls need to be developed.</li> </ul>	<ul style="list-style-type: none"> <li>• Secures land for affordable housing for long term (potentially permanently) and pegs it to a certain value relative to the overall cost of housing.</li> <li>• Much of what can be done through a trust can be implemented using other means, such as land, ownership and controls that can be accommodated through existing resources.</li> </ul>		
<ul style="list-style-type: none"> <li>• These kinds of initiatives or programs are typically implemented according to specific guidelines related to a specific mission or focus. They are likely to have certain resource requirements and will vary by jurisdiction and situation.</li> <li>• Long term operation and controls need to be developed.</li> <li>• Orange County has developed a preliminary approach for such program. This might be applicable to, or modified by, other jurisdictions.</li> </ul>	<ul style="list-style-type: none"> <li>• Every housing resource needs to be utilized.</li> <li>• Not fully appropriated each year.</li> </ul>		
<ul style="list-style-type: none"> <li>• Already underway in some partner jurisdictions. Continued planning may be necessary.</li> <li>• These kinds of initiatives or programs are typically implemented according to specific guidelines related to a specific mission or focus. They are likely to have certain resource requirements and will vary by jurisdiction and situation.</li> <li>• Long-term operation and controls need to be developed.</li> </ul>	<ul style="list-style-type: none"> <li>• A limited number of obvious and easily identifiable partnerships among these entities forges a very discrete group with shared needs and interests.</li> </ul>		
<ul style="list-style-type: none"> <li>• These kinds of initiatives or programs are typically implemented according to specific guidelines related to a specific mission or focus.</li> </ul>	<ul style="list-style-type: none"> <li>• Focusing on existing financial resources such as Sadowski, can be a very powerful force. Progress will be measured at a statewide level.</li> </ul>		

# NEXT STEPS

The overall framework identifies tools tied to regulatory alternatives, financial commitments, partnership opportunities and other resources. They stem from community discussions, interactions with developers, research about best practices and staff evaluations. As a result, the approach includes input from more than the jurisdictional members of the regional affordable housing initiative. In addition to involving the building and development industry, the framework calls for collaboration with the area's largest employers and many non-profits.

Very broadly, the goal is to increase overall production so that housing at multiple price points becomes more widely available. More narrowly, there are sentiments to encourage specific price points in selected locations by combining existing delivery systems and incentives where practical to do so. Over time, it is hoped that these efforts will begin to change the trends in the overall housing market to reduce the percentage of cost-burdened households, particularly among low-income and rental populations.

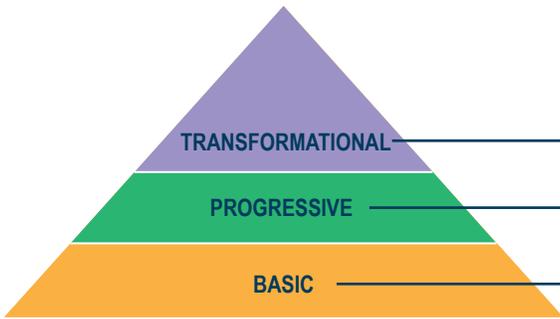
The collective effort of many representative interests is a large first step. The local governments believe it is appropriate to reduce the percentage of cost-burdened households by using a variety of tools. Progress and monitoring are also important.

The next steps will be weighed against the tools each local partner elects to adopt as measures of acceptable performance. The engaged jurisdictions will continue to meet regularly, discuss their specific efforts and compare their progress. Potential adjustments in approach and policy are reasonable expectations. What is deemed to be basic, progressive or transformational may change as new information becomes available and new feedback loops evolve.

The partner jurisdictions reached a general agreement to make three of the five established goals a top priority:

- 1 CREATE**  
Create opportunities for the development of affordable housing through regulations and incentives.
- 2 DIVERSIFY**  
Encourage diversity of housing types, mixed-income development, and sustainable building and infrastructure techniques.
- 3 PRESERVE**  
Preserve the existing affordable housing stock through financial mechanisms and community partnerships.

All tools will not be equally effective, and some certainly require more time and effort than others. As a way of illustrating what impacts these tools could have, they are classified as shown in the graphics below.



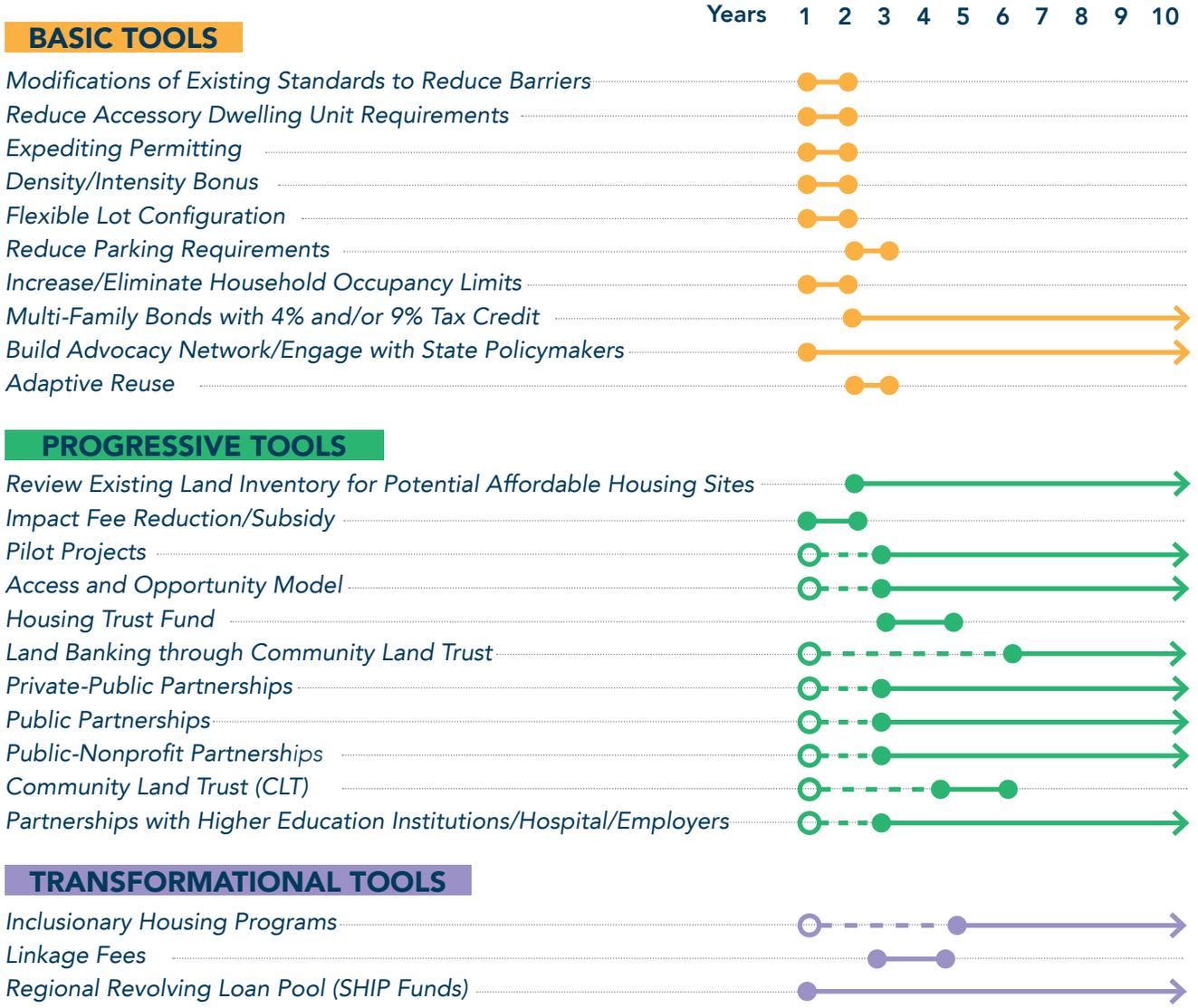
**Transformational** tools seem the most likely to move the needle, as they can be easily benchmarked against targeted numbers.

**Progressive** tools represent substantial efforts and could have major impacts on how housing is delivered, where and by whom.

**Basic** tools extend from existing and current planning practices and are mainly preparatory to other measures placed into service.

**TIME-FRAME LEGEND**

- Starts and ends
- Starts and continues over time
- Planning and research time



NOTE: The proposed timeline represents a general agreement between participating jurisdictions.

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