

AFFORDABLE HOUSING TASK FORCE



PRINCIPLES & RECOMMENDATIONS





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Hillsborough County Board of County Commissioners	i
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PREFACE

Although Hillsborough County enjoys a reputation as an “affordable” place to live, more and more of our citizens and families are experiencing difficulty finding and keeping an affordable, safe and decent place to call home. Rents are rising rapidly, hitting hard those working families least able to afford it. Meanwhile, single-family house prices have escalated beyond the financial reach of many working folks, limiting their transition from rental to home ownership.

An adequate supply of housing at affordable rates for all income levels is critical to healthy families, and impacts the quality of life and economic prosperity of our entire community. Safe, decent apartments and affordable homes are necessary to create and maintain jobs, provide stability to better educate our children, and facilitate healthcare. Recognizing this, the Hillsborough County Board of County Commissioners convened an Affordable Housing Task Force to catalyze an overall strategic plan to address the issue. Representing a collaboration of public, nonprofit and private groups the intention is to support innovative policy, encourage administrative improvement at all levels of all governments, and to further develop local sources of funding.

This preliminary report is based on the extensive deliberations of the Hillsborough County Affordable Housing Task Force as well as research into the experiences, insights and best practices of other jurisdictions across the United States. It is intended to provide a foundation for a detailed report expected in the Fall of 2006.





AREN'T WE ALREADY WORKING ON AFFORDABLE HOUSING?

Significant effort is underway. To date, the Task Force and Hillsborough County staff have already made progress. Numerous internal administrative and substantive improvements have been implemented as follows:

Advocacy.

- ☑ The Task Force advocated full funding of the State of Florida's Affordable Housing Trust Fund. The Sadowski Act created a state dedicated revenue source for affordable housing, and funds such programs as the State Housing Initiatives Partnership program (SHIP) and the State Apartment Incentives Loan (SAIL).

Down Payment Assistance Program.

- ☑ Hillsborough County Housing Finance Authority and Hillsborough County provide 80% and 20%, respectively, of down payment assistance on single family homes.
- ☑ A \$2,500 grant will be awarded by an applicant if the home is located in a CDBG target area. Further, an additional \$2,500 grant will be awarded if the applicant is a state certified teacher, state certified nurse, certified firefighter, or a state certified law enforcement officer.
- ☑ County staff conducts educational meetings to proactively educate about the down payment assistance program.

Inter-departmental Coordination.

- ☑ County staff schedules training sessions between Hillsborough County's departments of Planning and Growth Management and Housing and Community Code Enforcement to discuss permitting, inspection services and zoning.

- ✓ Numerous meetings are conducted with the Hillsborough County City-County Planning Commission to address the Housing Element of the Comprehensive Plan.

Inter-governmental Coordination.

- ✓ Local government representatives meet regularly to coordinate First Time Home Buyer programs, price limits, documentation requirements, down payment assistance, and loan repayment terms.
- ✓ County and City of Tampa staff meet regularly to discuss coordination of owner occupied rehabilitation programs, including issues such as policies and procedures, assistance, levels and loan terms.

Increased Partnering.

- ✓ The County works closely with nonprofit agencies and nonprofit developers to improve partnership opportunities.
- ✓ The County works closely with Local Initiatives Support Corporation (LISC), which provides technical assistance and grants to nonprofits as part of a capacity building program for affordable housing.

Land Trust.

- ✓ County staff has engaged the Florida Housing Coalition and the University Partnership for Community & Economic Development for technical assistance to establish a program.

Inventory.

- ✓ County staff has inventoried all publicly owned land.

Impact Fees.

- ✓ Currently, many impact fees – except school impact fees – may be paid by Hillsborough County. Water and sewer fees may be paid subject to a County general fund allocation. Transportation fees may be waived in no impact fee zones.

Fostering Affordable Rental Housing.

- ✓ Hillsborough County innovatively uses existing federal, state and local resources to foster the development of rental housing affordable to working people. To date, Hillsborough County programs have helped to create more than 8,500 units of affordable rental housing.

Florida housing experts working with the Task Force believe Hillsborough County staff is on the right track in addressing the impending crisis; however, much remains to be done.

This document presents the Task Force's Statement of Principles and Recommendations. Task Force recommendations are organized in three major categories of action:

- Coordination, Planning and Land Regulations;
- Incentives & Financing; and,
- Education, Outreach & Advocacy.

WHAT EXACTLY IS AFFORDABLE HOUSING, ANYWAY?

✎ *We believe that affordable housing is attainable housing.*

It is for working people and for those in less fortunate circumstances. It is housing—rental and purchase—for those in low and moderate income ranges. It is for:

- Young professionals – nurses aides and teachers;
- Small business owners – the corner deli, the auto shop, the local café;
- Those on whom we depend day-to-day – firefighters, police officers, child care workers;
- Seniors and persons with disabilities.

It is for our folks employed in jobs that we rely upon everyday – librarians, drivers, waitresses, secretaries – who make our community viable. It is a decent, clean and safe home, whether rented or owned.

✎ *We believe that affordable housing is housing located near job centers, good schools and, whenever possible, public transportation.*

It is housing built, managed and maintained by the private sector. It is a safe, clean, decent place to live. It is quality housing that is attractive and blends into the community. It is in neighborhoods that include both low income and market rate homes. It helps our community maintain diversity that helps balance each of our experiences and perspectives.

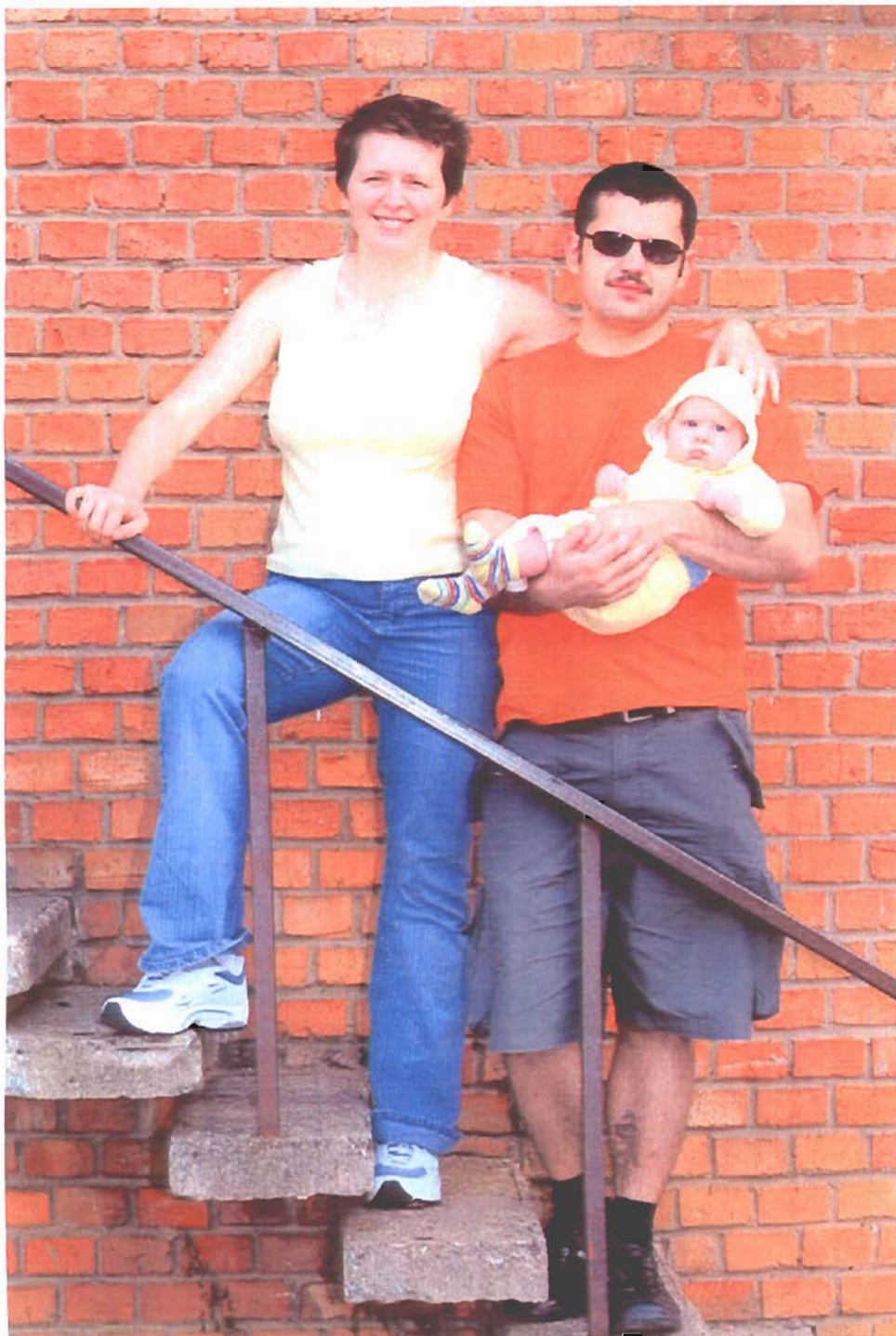
Occupations and Wages in Tampa Metropolitan Area

2005 Wage Estimates by Occupation

Waiters and waitresses	\$12,792	Family, child and school social workers	\$23,962
Child care workers.....	\$12,813	Police, fire and ambulance dispatchers.....	\$24,856
Pharmacy aides.....	\$13,229	Executive secretaries and administrative assistants	\$25,272
Hotel and motel desk clerks.....	\$13,645	Firefighters.....	\$26,354
Retail salespersons.....	\$14,747	Teacher assistants.....	\$28,816
School bus drivers.....	\$15,246	Licensed practical nurses ..	\$30,056
Bank tellers	\$16,328	Elementary school teachers	\$30,349
Home health aides.....	\$16,349	Librarians.....	\$30,980
Secretaries (general office)	\$17,514	Middle school teachers	\$32,012
Nurses aides, orderlies, and attendants.....	\$18,699	Police and sheriff patrol officers.....	\$33,460
Bookkeepers and accounting clerks	\$19,968	Database administrators....	\$34,480
Medical assistants	\$20,197	Postal service mail carriers	\$34,700
Emergency medical technicians and paramedics	\$20,384	High school teachers.....	\$34,741
Mental health and substance abuse social workers	\$20,675	Financial analysts.....	\$37,500
Customer service representatives.....	\$21,341	Registered nurses.....	\$39,160
		Electrical engineers	\$44,540

Source: Agency for Workforce Innovation and Shimborg Center for Affordable Housing, University of Florida.





IS THERE EVEN A PROBLEM, REALLY?

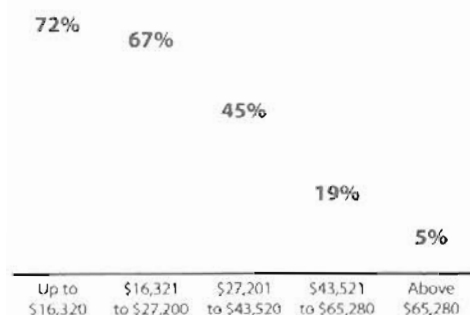
✎ *We believe that the housing "boom" in Hillsborough County and its cities points to both a looming housing crisis and an opportunity to develop local solutions to address these issues.*

Escalating apartment rents, condo conversions and rising housing prices have moved affordability beyond the reach of many working families and people. The lack of available affordable housing in our neighborhoods will force many workers to find homes far from their jobs. This leads to longer commutes, increased energy consumption, air pollution and traffic congestion for all of us. Ultimately, if this continues, employers will find themselves without workers because housing is not affordable.

Hillsborough County and its surrounding counties are experiencing explosive increases in population, averaging a 20% increase over the last decade. This growth rate is expected to continue, culminating in a 65.6% increase by 2030. Further, the U.S. Census Bureau data suggests that in the Tampa Metropolitan Statistical Area a growing number of employees are crossing county lines to get to work. In Hillsborough County, we are experiencing a 47% increase in workforce commutes by the daytime population with 28% of these workers are coming from other counties. This is partially due to the fact that our residential housing market has become so expensive that workers cannot afford to live near their place of employment.

In Hillsborough County, nearly 70% of our working people and families making less than \$27,200 annually pay more than 30% of their household income for housing each month. This leaves very little for necessary

Hillsborough County Percentage of Households Paying More than 30% Gross Income for Housing



Source: Shimberg Center for Affordable Housing, University of Florida

expenses such as child care, transportation and health care. Many housing providers report that it is impossible to serve those households that make even a bit more at \$43,520 annually. This presents a dangerously low level of affordable housing.

Additionally, while there are just over 84,000 apartments in Hillsborough County with 50 or more affordable units based on U.S. Housing and Urban Development (HUD) Fair Market Rents, only 739 are currently available for rent. Further, 58 apartment communities representing 14,740 units of rental housing in Hillsborough County have converted to condominiums since 2001. This represents a loss of nearly 15% of the apartment units in Hillsborough County. (Source: Bay Area Apartment Association.)

Further, as housing costs have increased, wages have not kept pace. For example, the area median income as measured each year by the HUD rose 9.8% from 2000 to 2005 in the Tampa metropolitan area, while the median sales price of existing homes rose more than 10 times as much, with an increase of 100.7% for the same period.

Home Prices v. Median Income



* Source: Florida Association of Realtors

** Source: U.S. Department of Housing and Urban Development

Federal Funding for Hillsborough County Fiscal Years 2003 – 2006

(in millions, adjusted for 2006 dollars)



Source: Hillsborough County Housing and Community Code Enforcement Department and the Jim Walter Partnership Center, University of South Florida

This growing imbalance will disproportionately impact people and families with low to extremely low income – earning less than \$27,200 and \$16,300, respectively. Despite working at least 40 hours per week, these individuals are economically locked out of home ownership, leaving apartment rental as the only reasonable housing option. This situation then is further exacerbated by the continual decrease in the supply of rental units countywide, partially due to the recent escalation of condo conversions.

Over the last several years, federal housing funds have declined as programs such as HOPE VI grants, Housing Choice Voucher Program (Section 8), HOME Investment Partnership Program, and Community Development Block Grants (CDBG) have decreased. This fiscal year alone, Hillsborough County expects to lose over one million dollars in federal funding designated for housing assistance which translates into a 10% net loss in real dollars. It is expected that these dollars will continue to decrease. Our challenge is to continue addressing affordable housing issues at the local level.

OKAY, THEN, WHAT CAN WE DO ABOUT IT?

▼ *We believe that leveraging the benefits of our strong housing market base creates and preserves the County's supply of affordable apartments and houses for working families, the elderly, those with special needs and those less fortunate.*

By strategically developing and preserving apartments and houses throughout Hillsborough County, we will create inclusive communities where people of all incomes, races, and cultures enjoy healthy families, lifestyles and economic opportunity.

Recommendations

We believe that effective policies will create new affordable housing, preserve and expand the existing housing stock, promote diversity and choice, and strengthen economic position – individually and community wide. Hillsborough County's Affordable Housing Task Force supports a balanced housing market and economic growth and development that provide opportunities for all residents at all income levels. Maintaining adequate rental apartments and for-purchase houses is a cornerstone for maintaining our economic prosperity. We attract new businesses, we expand new jobs and we enhance our quality of life when we offer rental housing and home ownership at costs affordable to those working and living in our community.

Our goal? Annually, this Task Force will work to increase our community's affordable housing stock by 1000 new units produced throughout Hillsborough County.

The recommendations of the Affordable Housing Task Force are based on the following guiding principles:

Affordable housing is an integral part of community building and economic development and must be implemented in an integrated and sustainable manner.

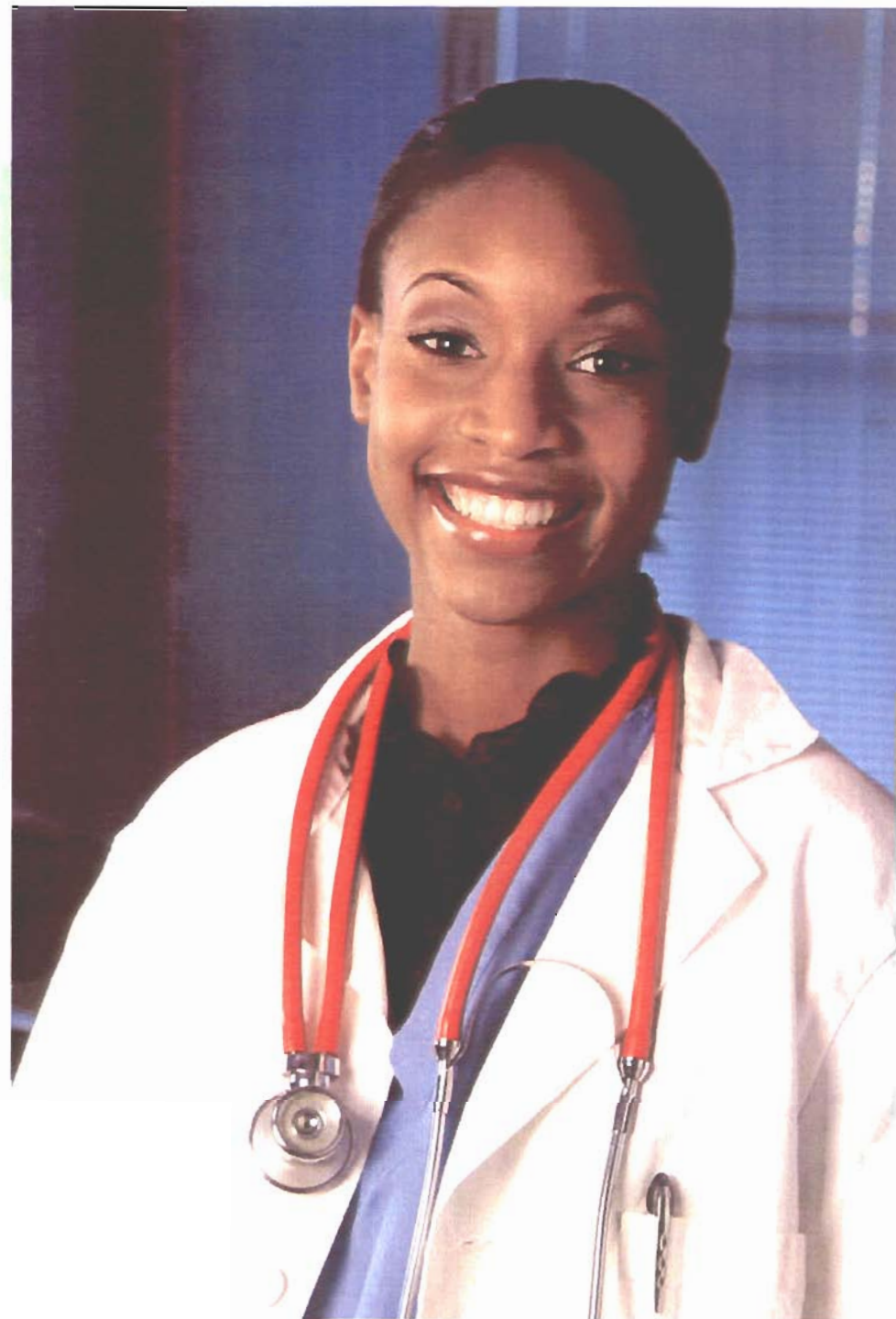
Affordable housing is a key competitive edge in attracting new business and well paying jobs to our community and maintaining a high quality of life for everyone.

Local government must use its authority and expertise to encourage and assist the private sector, including nonprofits, to produce rental and for-purchase affordable housing.

Local government must use current and not-yet-identified resources to enable working folks, our elderly, those with special needs and those less fortunate to find and retain apartments and houses they can afford.

Local government must do more to facilitate the economic mobility of working lower income residents. A growing middle class is the key to Hillsborough County's future economic vitality.

Local government must inform, educate and advocate on behalf of our working people and families, our elderly, persons with disabilities, and those in less fortunate circumstances.





Land Use Regulation, Planning & Coordination

✎ *We believe that affordable housing alone does not make a community economically healthy and vibrant. Affordable housing must be considered alongside everything that gives our community its character—our schools, parks, public safety, health care, transportation and the availability of well paying jobs.*

Recommendation

- The County, its municipalities and the private and nonprofit sectors are significant stakeholders in affordable housing. Each must identify their unique affordable housing strengths to establish effective partnerships to promote affordable housing issues.

➤ We believe that policies in the Hillsborough County's Comprehensive Plan must be amended, where necessary, to strategically support affordable rental and for purchase housing.

Recommendations

- Evaluate and utilize existing policies to foster and support the development of affordable housing.
- Evaluate and utilize existing policies to ensure that affordable housing is a component of community plans.
- Encourage mixed use developments that incorporate residential with businesses and /or institutional (i.e. post office) development.
- Further research and study best practices on expanding the Urban Service Area.
- Further research and study best practices on possible establishment of special zones for affordable housing.

➤ We believe that regulations, especially the Land Development Regulations and the Building Code, must be reviewed and amended to ensure that regulations not only support but do not hinder the development and construction of affordable rental and purchase housing.

Recommendations

- Retain a private sector expert to review, evaluate and make further recommendations to improve current County approval processes and land use regulations, including recommendations to expedite reviews (including multiple reviews), streamline approvals, and resolve conflicting regulations.
- Retain a consultant to analyze and propose alternative construction techniques for attainable housing projects to include, but not be limited to modular, panelized, and steel housing.
- Expand current inventory of available lands to include existing nonprofit and church surplus lands and vacant buildings.
- Permit accessory units, commonly known as "mother in laws," when allowed in a single family residential zone.
- Explore a rezoning option that allows affordable housing developers to file applications **before** meeting with community and neighborhood groups.
- Encourage attractive well-designed and well-maintained higher density developments. Apartments, condominiums and multi-family housing have traditionally been a source for affordable housing.

Incentives & Financing

✎ *We believe that the shortage of affordable housing requires selective financial incentives to ensure adequate supply. These financial incentives will encourage the participation of for profit and nonprofit sectors in the production of affordable housing.*

Recommendations

- Create a land density bonus plan for residential zoning in mixed use developments.
- Increase incentives for affordable housing as the proportion of affordable housing increases within an overall development or project. These incentives may include but are not limited to density bonuses, setback reductions, parking reductions, height increases and impact fee relief.
- Allow land swaps or transfer of development rights to acquire lands dedicated for the development of affordable housing, including "flex" units such as commercial density increases, in exchange for affordable housing units.
- Establish a program whereby nonprofits and faith-based organizations may donate land, density and other incentives to affordable housing developers.
- Further research and study to establish a program to obtain grants for building energy efficient homes with certifications.

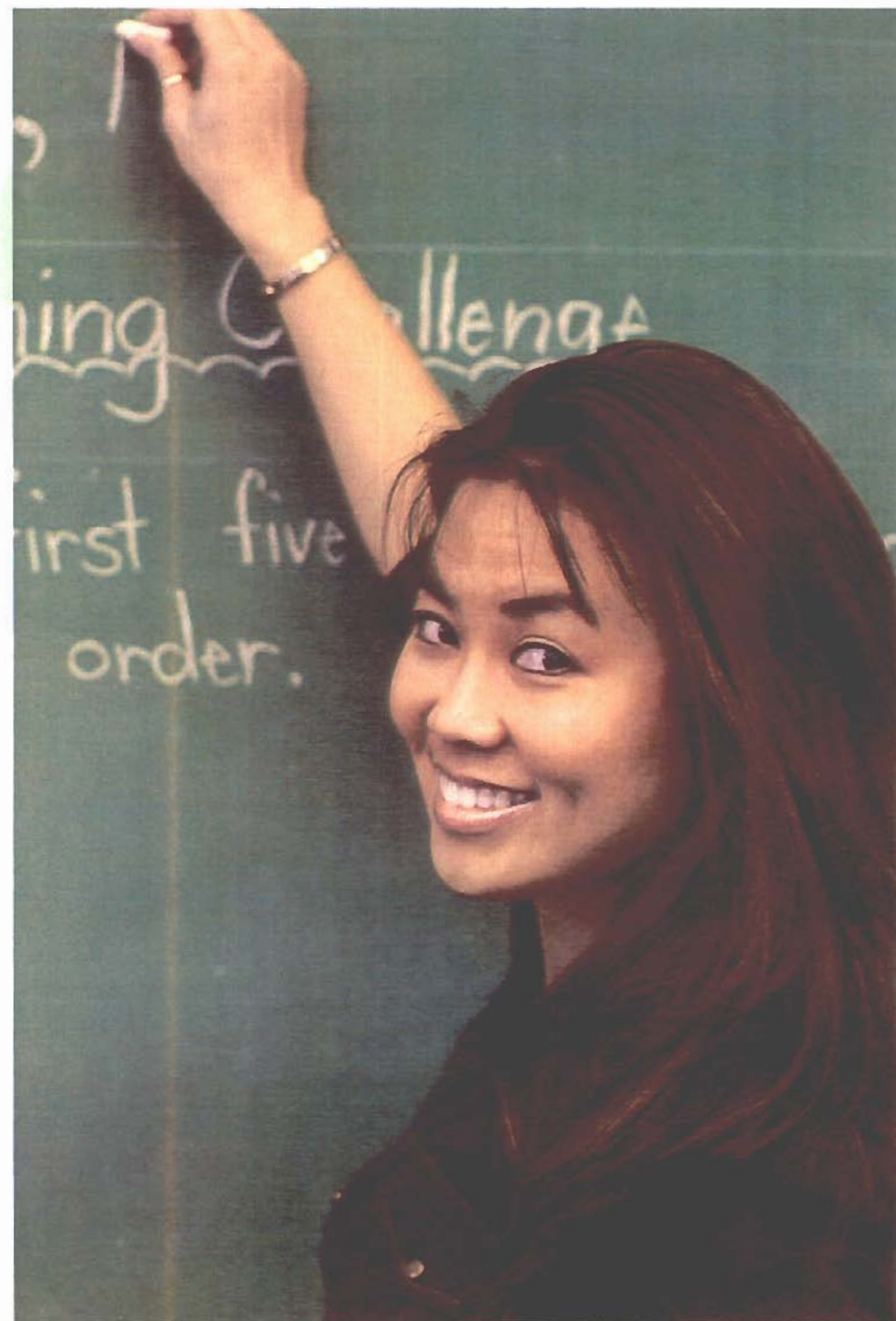
✎ *We believe that capitalizing on existing financing programs through changes to requirements as well as creating new and innovative programs will expand available affordable housing resources.*

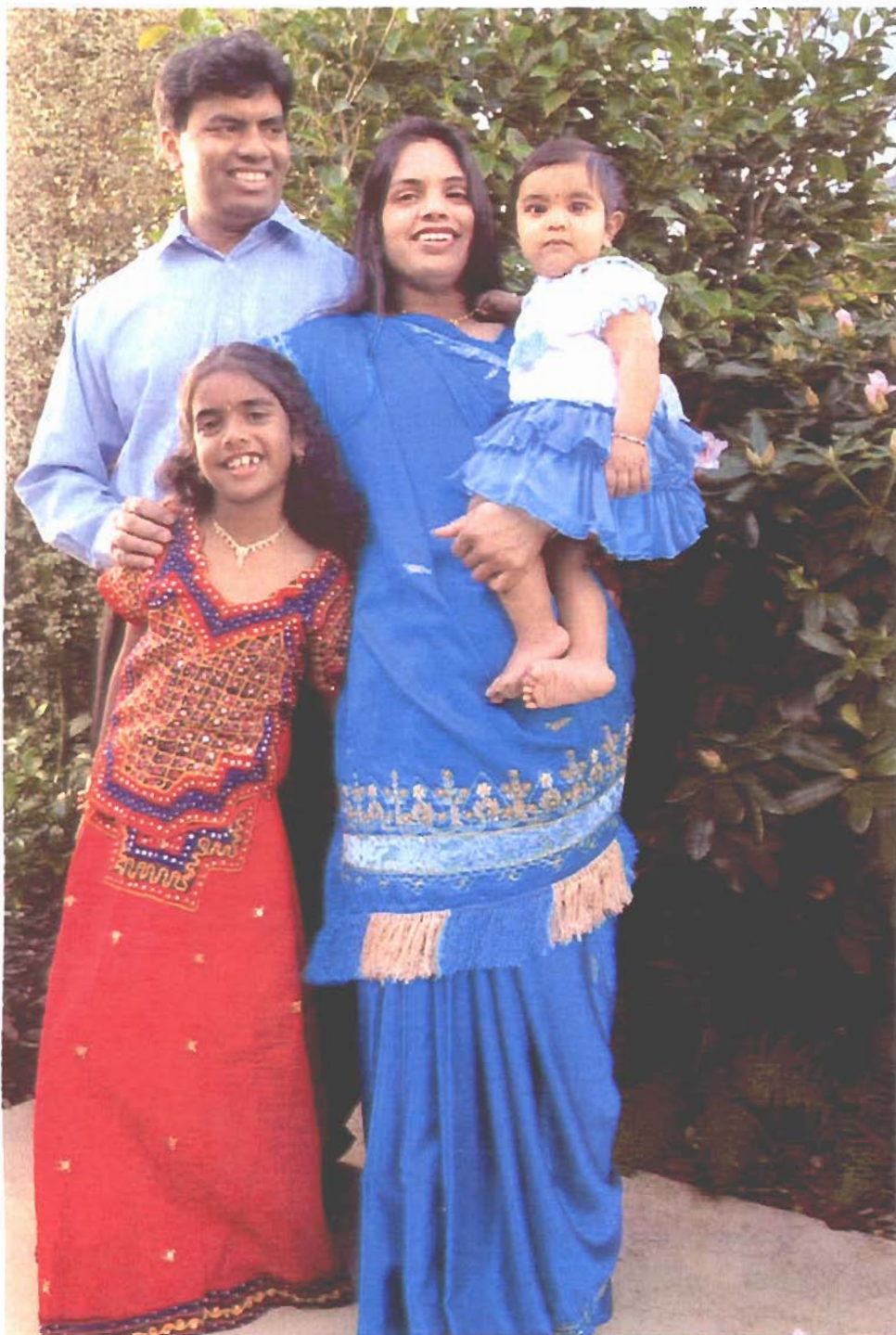
Recommendations

- Expand predevelopment grant and/or loan programs. Many nonprofits rely on predevelopment grants to obtain land and proceed through the permitting process. The parameters of these programs should be re-evaluated given the current environment of limited land supply.
- Expand deferred loans for community based for profit and nonprofit organizations that create multi-family developments.
- Encourage development of 8-20 unit properties on in-fill and other community sites by giving selection preferences to these properties when they apply for funding through resources administered by Hillsborough County.
- Create an Affordable Housing Trust Fund with a dedicated revenue source. One such source could be the proceeds from the sale of private land obtained from nonpayment of code violations.
- Explore the creation of Community Redevelopment Areas (CRAs) to provide a sustainable revenue stream for the development of affordable housing.
- Use HOME funds for tenant-based assistance, with emphasis on single parents with children.

Recommendations (cont.)

- Further research and study increasing capacity of nonprofits by: providing financial support for acquiring and renovating existing dwellings; acquiring lots and building new dwellings; and, acquiring and retrofitting duplexes and multi-family units for conversion to owned town homes, villas or condominiums.
- Further research and study allowing affordable housing developers and nonprofits the first right of refusal on real estate foreclosures and tax sales, to include mechanism and language in mortgage documents.
- Further research and study best practices of a Community Land Trust, which will provide for long term affordability provisions.
- Further research and study best practices on establishing a local dedicated revenue source.
- Further research and study of lease-purchase alternatives.
- Further research and study on a policy that provides a sliding scale for down payment assistance based on household income and





Incentives & Financing (cont.)

housing prices rather than a fixed dollar amount.

✎ *We believe that all costs of housing must be addressed in solving the affordability gap.*

Recommendations

- Further research and study best practices that establish a co-op or program whereby materials and supplies may be purchased in bulk for distribution to nonprofit affordable housing providers at reduced cost.
- Further research establishment of a program whereby municipal tree farms may donate to affordable housing to enhance aesthetic appeal.
- Further research and study best practices on expansion of the Homestead Exemption to include a credit for affordable housing.
- Further research and study best practices on deferrals of property taxes during the affordable housing ownership period.

▾ *We believe that certain governmental requirements create a financial burden and therefore a hindrance to the production of affordable housing and must be addressed.*

Recommendations

- Waive performance bond requirements for affordable housing projects that are developed by nonprofit agencies when the County is providing a substantial amount of infrastructure funding.
- Evaluate the impact fee relief program and consider replacing it with an impact fee waiver program for development of affordable housing.
- Further research and study best practices on concurrency requirements for affordable housing.

Education, Outreach and Advocacy

✎ *We believe that creating broad support – bringing together employers, Hillsborough County, its municipalities, developers, nonprofits, workers, and community and faith based groups – for investment, land use policy changes and finding the land is critical to addressing this issue.*

The County must ensure an adequate number of professional staff and appointed leadership to expedite affordable housing issues.

Recommendations

- A permanent body should be created to maintain the affordable housing momentum created by the task force. While there are options as to the structure of such a body, it is clear that its mission will be to serve as the catalyst to make affordable housing initiatives a reality in Hillsborough County and its cities.
- Hire an officer level administrator reporting to the County administrator with full authority to 1) expedite issues both inter-governmentally and inter-departmentally, and 2) staff the permanent entity recommended. Responsibilities should include but would not be limited to:
 - Retaining a private sector expert to review, evaluate and make further recommendations to improve current County approval processes and land use regulations, including recommendations to expedite reviews (including multiple reviews), streamline approvals, and resolve conflicting regulations.

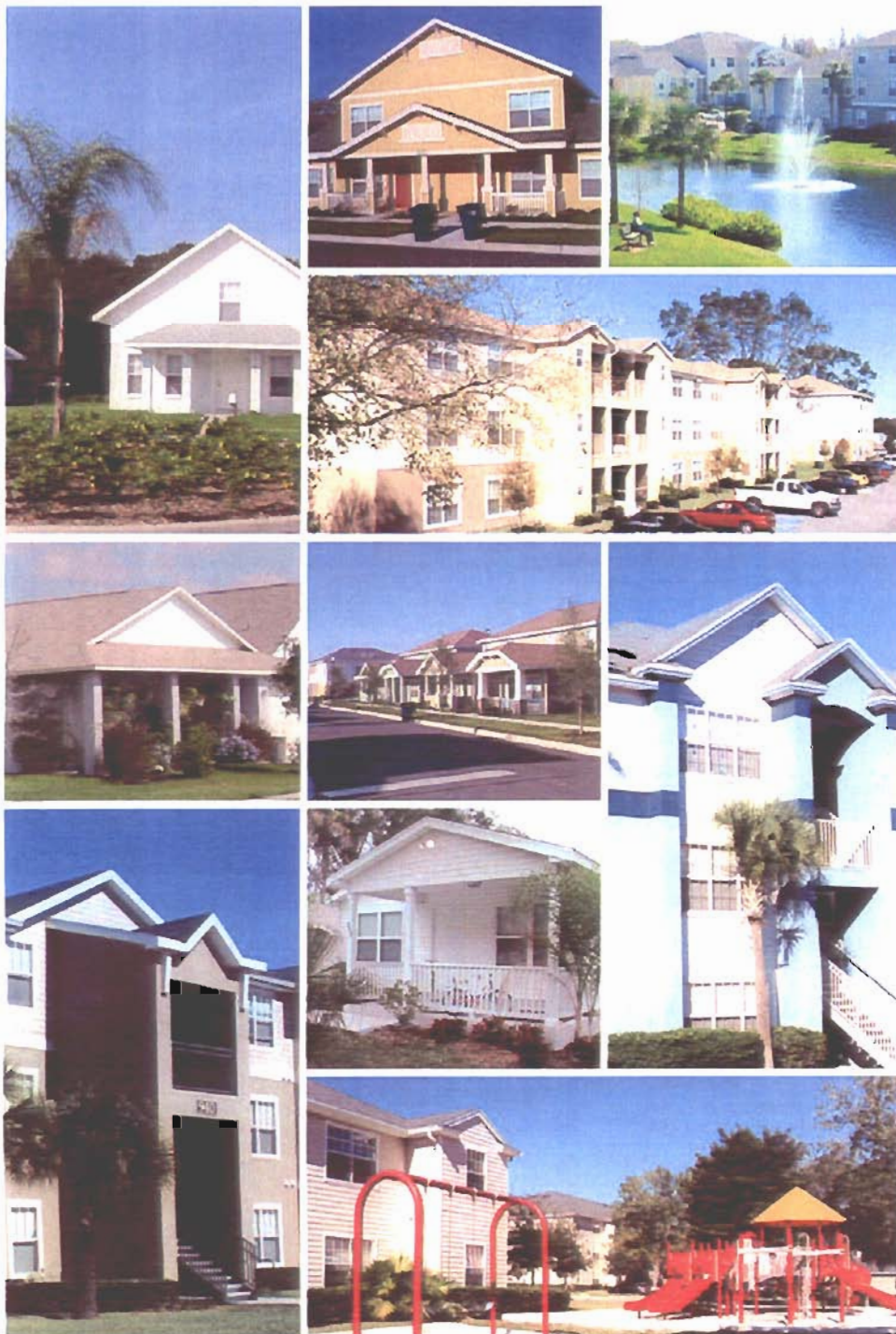
- Retaining a consultant to analyze and propose alternative construction techniques for attainable housing projects to include, but not be limited to modular, panelized, and steel housing.
- Updating the Housing Needs Assessment study last conducted by Hillsborough County in 1992.
- Creating a consolidated toolkit of available program to assist providers, lenders and residents.
- Conducting semi-annual, inter-departmental workshops to update all staff on available programs, assistance and trends in affordable housing.
- Conducting an annual summit on affordable housing.
- Managing a multi-year, mixed media public information campaign focused on affordable apartments and houses for working people and families.

Recommendations (cont.)

- Advocating for additional “fair share” state and federal support for housing initiatives and funding with specific emphasis on the Low Income Housing Tax Credit Program.)
- Providing staff support to the BOCC-appointed advisory committee.
- Expediting approval and permitting processes and coordinating incentives for all affordable housing projects including a basic stamp reading “Affordable Housing” for each application that arrives at County.

The Affordable Housing Officer should be accessible to the providers, builders, and developers of affordable housing.





NEXT STEPS

The Affordable Housing Task Force suggests that the Hillsborough County Board of County Commissioners consider, the following steps:

1. Proceed with the detailed report of the recommendations, their implementation, time frames and additional support as well as documentation of local housing issues.
2. Hire the officer level administrator as described in this report. Ensure that the affordable housing officer has full authority to expedite the development of affordable housing.
3. Procure a consultant(s) to review and evaluate development regulations and building codes.
4. Create a permanent body to maintain the affordable housing momentum and serve as the catalyst to make affordable housing a reality in Hillsborough County. At a minimum, this body will have an appointee from the Board of County Commissioners serving as its chair, individual appointments by each member of the Board of County Commissioners and representatives from sectors related to affordable housing.
5. Conduct a housing summit in the Fall of 2006 exploring the work of other jurisdictions in affordable housing and the recommendations of this report.
6. Develop a quarterly report to the BOCC and its municipalities detailing the progress toward the goal of increasing affordable housing stock by affordable housing 1,000 units annually.
7. Coordinate the work of this task force with the upcoming work of the Consolidated Plan and the update to the Comprehensive Plan.

APPENDIX

HUD Adjusted Median Income Tampa MSA 2006: \$ 54,400

Cost burdened households at or below \$27,200: 53,937

Total households at or below \$27,200: 77,288

Percentage of households at or below \$27,200
that are cost burdened 69.8%

Cost burdened households at or below \$43,520: 82,145

Total households at or below \$43,520: 140,391

Percentage of households at or below \$43,520 that
are cost burdened 58.5%

Income Group	# of Households	# of Cost Burdened Households	% of Cost Burdened Households in Income Group
Up to \$16,320	38,158	27,560	72%
From \$16,321 to \$27,200	39,130	26,377	67%
From \$27,200 to \$43,520	63,103	28,208	45%
From \$43,521 to \$65,280	80,551	15,525	19%
Above \$65,280	168,773	8,849	5%
Total	389,715	106,519	27%

Federal guidelines indicate that households spending more than 30% of gross income on housing are cost burdened. A cost burdened household may experience difficulty affording other necessary living expenses such as food, transportation, childcare, and healthcare. HUD median income levels used in this table are based on a 4 person household.

MEMBERS

Commissioner Thomas Scott, Chair
Affordable Housing Task Force

Julia Rettig
Tampa Bay Development LLC
Appointed by Commissioner Jim Norman

Darrell Daniels
Tampa/Hillsborough Urban League
Appointed by Commissioner Brian Blair

Sylvia Alvarez
Housing & Education Alliance Inc
Appointed by Commissioner Kathy Castor

Jill Collins
Appointed by Commissioner Ken Hagan

Ben Wacksman
Capital Realty Investors LLC
Appointed by Commissioner Thomas Scott

Robert J. Samuels
Appointed by Commissioner Mark Sharpe

Joe Eastburn
Appointed by Commissioner Ronda Storms

Judy Carr
Bay Area Apartment Association

Lloyd Boggio
The Carlisle Group

Sheila Lopez
Catholic Charities

Sharon West
City of Tampa – Administration

Desiree T. Valdes
City of Tampa – City Council

James R. McDaniel
City of Plant City

Glenda Venable
City of Temple Terrace

Earl Pfeiffer
Florida Home Partnership

Willie Mason
Greater Tampa Board of Realtors

Ralph Jackson
Habitat for Humanity

Joe DiDomenico
*Hillsborough County Alliance
for Citizens with Disabilities*

Debra Koehler
*Hillsborough County
Housing Finance Authority*

Kevin L. Tatreau
Neighborhood Lending Partnership

Gladstone Cooper
Searchwell Thorne and Association

Joseph Narkiewicz
Tampa Bay Builders Association

Jerome Ryans
Tampa Housing Authority

Karen Jackson-Sims
*U.S. Department of Housing and
Urban Development Office*





AFFORDABLE HOUSING TASK FORCE

601 East Kennedy Boulevard
County Center, 26th Floor
Tampa, Florida 33602

813.276.8785

www.hillsboroughcounty.org/affordablehousing