



# AFFORDABLE HOUSING

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 IN FLORIDA

# TABLE OF CONTENTS

2	CHAPTER ONE	What is Affordable Housing?
9	CHAPTER TWO	Who Lives in Affordable Housing?
15	CHAPTER THREE	Why Include Affordable Housing in Your Community?
19	CHAPTER FOUR	How is Affordable Housing Developed?
28	CHAPTER FIVE	What is the Connection Between Affordable Housing and Fair Housing?
33	APPENDIX ONE	William E. Sadowski Affordable Housing Act
35	APPENDIX TWO	Glossary of Terms and Acronyms

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The Florida Housing Coalition has produced this guidebook with funding from the Florida Housing Finance Corporation's Catalyst Program. The views expressed in this book do not necessarily reflect the views of the Florida Housing Finance Corporation.

The photographs in this book are a sampling of single-family and multi-family affordable housing from around the state. The Florida Housing Coalition thanks the following for-profit and non-profit Florida developers for providing photographs of the affordable housing and the people who live there: Boley Centers, Carrfour Supportive Housing, City of St. Petersburg, Keystone Challenge Fund, Inc., The Michaels Development Company, Orlando Neighborhood Improvement Corporation, Partnership in Housing, Inc., The Richman Group Development Corporation, Roundstone Development, Sage Partners, LLC, Sarasota Housing Authority, Sustainable Design Group, Tampa Housing Authority, and The Related Group.



# WHAT IS AFFORDABLE HOUSING?

Affordable housing is safe and decent housing. It differs from market rate housing in two ways:

1. The income of the family living in the housing.
2. The financing of the housing.

## INCOME RESTRICTED

Affordable housing is defined in terms of the income of the people living in the home. The family must be income eligible. Income eligibility is defined in terms of area median income, adjusted for family size.

- Extremely low income describes a family at or below 30% of area median income.
- Very low income describes a family at or below 50% of area median income.
- Low income describes a family at or below 80% of area median income.
- Moderate income describes a family at or below 120% of area median income (at or below 100% of median income for federal programs).

The median income is determined by the Department of Housing and Urban Development (HUD) by county or Metropolitan Statistical Areas (MSAs). Median incomes are updated annually by HUD. You can find this information on the HUD website at [www.HUD.gov](http://www.HUD.gov) or on the Florida Housing Coalition's website at [www.flhousing.org](http://www.flhousing.org). Click on SHIP, Income Limits.

Affordable housing is safe and decent housing. If the housing stock in a community is substandard it should not be counted as a unit of affordable housing. In general, the income eligible household is said to be living in affordable housing when it spends no more than 30% of its income on either

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In general, the income eligible household is said to be living in affordable housing when it spends no more than 30% of its income on either rent or mortgage payments.

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Habitat for Humanity of South Palm Beach County (homes pictured above and below) and Habitat Affiliates throughout Florida, provide affordable home ownership opportunities.

Habitat for Humanity of Florida is one of the 30 statewide organizations that support the use of State Housing Initiatives Partnership program (SHIP) funds to help Florida's lower-income families achieve the dream of homeownership by building and rehabilitating homes through public-private partnerships.





Developed by Carrfour Supportive Housing, Hampton Village pictured above is an attractive 100-unit affordable housing development in Miami that is designated for residents with incomes at or below 60% of the area's median income

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## **The issue of whether housing meets the technical definition of “affordable” ceases to be a societal concern when the income of the occupant exceeds 80% or 120% of the area median income**

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rent or mortgage payments. There is an assumption that if a very low to moderate income family is spending more than 30% of its income on housing costs, the family will be cost burdened and not have enough money left over to pay for items such as transportation, food, clothing, and healthcare.

It follows that the concept of affordable housing is not applicable to wealthy households. If a household earning \$200,000 per year chooses to spend as much as 50% of its income on housing cost, it could do so without being cost burdened. Generally, the issue of whether housing meets the technical definition of “affordable”

# Affordable Housing Resource Guide

INCLUDING, BUT NOT LIMITED TO:

SINGLE FAMILY MORTGAGE REVENUE BOND

HOUSING CHOICE VOUCHER (HCV) PROGRAM

PROJECT BASED VOUCHERS – Section 8

PREDEVELOPMENT LOAN PROGRAM (PLP)

STATE HOUSING INITIATIVES PARTNERSHIP (SHIP)

HOME INVESTMENTS PARTNERSHIP PROGRAM (HOME)

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

COMMUNITY CONTRIBUTION TAX CREDIT (CCTC)

USDA RURAL HOUSING SERVICE – Ownership

USDA RURAL HOUSING SERVICE – Rental

WEATHERIZATION ASSISTANCE PROGRAM (WAP)

NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

LOW INCOME HOUSING TAX CREDITS (HC)

STATE APARTMENT INCENTIVE LOAN (SAIL) PROGRAM

MULTIFAMILY MORTGAGE REVENUE BOND PROGRAM

HUD SECTION 202

HUD SECTION 811

The Affordable Housing Resource Guidebook can be found on the Florida Housing Coalition's website at: <http://www.flhousing.org/wp-content/uploads/2016/03/Affordable-Housing-Funding-Sources-2015-06.pdf>

ceases to be a societal concern when the income of the occupant exceeds 120%, or in some jurisdictions, 80% of the area median income.

## FINANCING

What makes the housing affordable is a decrease in monthly rent or mortgage payments, so that the income eligible family is able to pay less for the housing than it would otherwise cost at “market rate.” Lower monthly payments or down payment assistance is a result of affordable housing financing. The financing of affordable housing is made possible through government programs such as the Low Income Housing Tax Credit Program (referred to as the Housing Credit program by the Florida Housing Finance Corporation) and the State Housing Initiatives Partnership (SHIP) program. The major financing programs for affordable housing are covered in the guidebook, Affordable Housing Resource Guide, which can be downloaded from the Florida Housing Coalition's website [www.flhousing.org](http://www.flhousing.org). You will find a summary of each program along with contact information. You can also find information about Florida's Affordable Housing Finance Programs by going to the Florida Housing Finance Corporation (FHFC) website [www.floridahousing.org](http://www.floridahousing.org).

There was a time, not too long ago, when affordable housing was synonymous with public housing. Historically, public housing was housing built and operated by the government. Oftentimes (especially in the Northeast part of the United States) the public housing of yesteryear was built in a large barrack type of style, easily distinguishable from market rate housing. The government is no longer in the business of building and operating affordable housing, unless it is doing so in partnership with the private sector.



The Lodges at Pinellas Park (shown on page 1 and above) was developed by Roundstone Development Group and comprises 120 one-, two-, three- and four-bedroom apartments. The complex includes a computer center, library, fitness center, pool, playground, picnic area and conference room. It also offers residents a variety of classes including literacy tutoring, life-safety classes, swimming lessons, first-time homebuyer seminars, job training classes and health and nutrition classes. Apartments are available to residents who make 60 percent or less of the area median income.

Today's public housing uses the benefit of land owned by the public housing authority and financial subsidies specifically available to public housing authorities or nonprofits to have private sector built and managed affordable housing. The affordable housing built this way is physically indistinguishable from the market rate housing. In summary, affordable housing is market rate housing, built by the private sector with financial subsidy from government, which allows the developer to pass on savings in the form of reduced sales prices or rents.

#### MOVING RESIDENTS TOWARD HOMEOWNERSHIP

While homeownership may be the ultimate goal for many

low income families, homeownership requires a continuum of housing opportunities. Affordable housing built for low income families using the multifamily revenue bond program of Local Housing Finance Authorities, such as the Hillsborough and Jacksonville HFAs, and the Florida Housing Finance Corporation's programs, including Housing Tax Credits and SAIL, provide programs for moving residents into homeownership. These programs include financial literacy, home buyer counseling and a lease incentive which provides the family with 5% of its rental payments for down payment assistance, should they purchase a home.



Bennett Creek is a 264-unit, multi-family housing community developed by the Richman Group to serve low income residents in Jacksonville. Its amenities include a pool, fitness center, laundry facility and grilling area.



Located in Sarasota, Janie's Garden Phase I is an 86-unit complex comprising public and low income housing along with 20 market rate apartments.

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**Generally, the government is no longer in the business of building and operating affordable housing, unless it is doing so in partnership with the private sector.**

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Resident amenities and programs commonly found in Florida's affordable housing rental developments include on-site after school programs, computer labs, financial literacy training, and a down-payment assistance program to move residents toward homeownership.

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A joint project developed in 2011 by the Michaels Development Company and the Sarasota Housing Authority, Janie's Garden Phase I replaced a former distressed public housing site with a stunning development that includes a library, computer lab, exercise facility, laundry equipment, and community meeting space. The computer lab in the Janie's Garden Phase I development is used daily by residents for reasons ranging from submitting job applications to completing school work. Janie's Garden Phase I was Awarded the Gold Medal by the National Association of Home Builders' Best in American Living Awards for Best Community Design in 2012 and was LEED Certified upon completion.

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## Affordable Housing Facts

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The only difference between market rate housing and affordable housing is that affordable housing uses government subsidies for construction costs in addition to its conventional financing. The facts about affordable housing in Florida are that most new developments carry a 50-year land use restriction agreement, which requires the development to have professional management, offer substantial resident amenities and services, and meet strict compliance standards for the eligibility of the residents and the condition of the units. The State monitors each development at least once a year for compliance. Developments that have both low income units and market rate units are identical in every way, other than the income of the family living in the unit.



# WHO LIVES IN AFFORDABLE HOUSING?

## The Workforce...

Affordable housing is sometimes referred to as “workforce housing.” This is because affordable housing serves the needs of people employed in the jobs that we rely upon to make every community viable. They are people such as teachers, teacher’s aids, nursing assistants, medical technologists, retail workers, government employees, emergency services providers and law enforcement. These are some of the low- and very low-income members of your community.

A person working a minimum wage job in Florida earns approximately \$16,848 per year, assuming they work 40 hours per week, 52 weeks per year.



**They are people such as teachers, teacher’s aids, nursing assistants, medical technologists, retail workers, government employees, emergency services providers and law enforcement.**



Tampa-based Sage Partners, LLC purchased the St. Paul AME Church in downtown Tampa along with some related property and converted it into affordable workforce housing in 2011. The development features two floors of parking below four floors of residential units, which totals 120 units. Metro 510's amenities include an outdoor spray park, community garden, movie theatre area and an outdoor museum devoted to the history of the church. The 15,000 sq. ft. church was converted into a community center that houses a fitness area, computer lab, library, and a learning and play area for children. The development is located near the Marion Transit Center facility and a block from a planned high-speed rail terminal.



## WHO LIVES IN AFFORDABLE HOUSING? METRO 510 RESIDENT PROFILE

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*Embassy Suites - Front Desk Clerk*

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*Law Firm - Legal Assistant*

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*Red Lobster - Busboy*

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*Hair Salon - Hair Stylist*

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*Hillsborough County Schools - Cafeteria Worker*

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*Fly Bar and Restaurant - Chef*

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*Tampa Police Department - Police Officer*

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*Alessi Bakery - Cashier*

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*Moffitt Cancer Center - Medical Assistant*

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*University of South Florida - Instructor*

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*Publix - Cashier & Manager*

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*Atlas Aviation - Flight Instructor*

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*Finish Line - Sales Associate*

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*Progressive Insurance - Claims Admin Support*



### THE ELDERLY...

Approximately 10% of all elderly households in Florida (65 years of age and older) live at or below the poverty level (American Communities Survey, 2014). According to the Shimberg Center for Affordable Housing, of the 206,869 lower income, cost-burdened, renter households (renter households at or below 80% of area median income that are paying more than 30% of their incomes on housing) aged 65 and over in Florida, 66% are paying more than 50% of their income toward housing costs.

### CHILDREN...

Children who are homeless, live in overcrowded housing, or are shuffled about as families search for decent housing, will suffer substantially in school.



## AND PEOPLE WITH DISABILITIES AND THOSE WHO MIGHT OTHERWISE BE HOMELESS . . .

Affordable housing is also needed by people with physical and/ or mental disabilities. These populations may have the very lowest income in your community. For example, a person living on Supplemental Security Income may be living on less than \$8,800 per year. There are a number of nonprofit organizations throughout the state of Florida in the business of providing housing in partnership with others for these special needs populations. The developers of affordable housing, whether for profit or nonprofit, will usually include a mix of units in a development to meet the needs of a continuum of extremely low to low income families.

Affordable housing for special needs populations may also be provided in “intentional communities” which may include the concept of co-housing.



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**Affordable housing is also needed by people with physical and/or mental disabilities.**

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# WHY INCLUDE AFFORDABLE HOUSING IN YOUR COMMUNITY?

## Affordable housing is a legal obligation

Every unit of local government in the state of Florida has a legal obligation to provide for the housing needs of its entire community pursuant to the Local Government Comprehensive Planning and Land Development Regulation Act of 1985 (Chapter 163, Part II, Florida Statutes, commonly referred to as the Growth Management Act). The Growth Management Act sets forth certain requirements for each plan element.

The requirements for housing are found in 163.3177 (6)(f), Florida Statutes:

1. A housing element consisting of principles, guidelines, standards, and strategies to be followed in:
  - a. The provision of housing for all current and anticipated future residents of the jurisdiction.
  - b. The elimination of substandard dwelling conditions.
  - c. The structural and aesthetic improvement of existing housing.
  - d. The provision of adequate sites for future housing, including affordable workforce housing as defined in 380.0651(3)(h), Florida Statutes, housing for low income, very low income, and moderate income families, mobile homes, and group home facilities and foster care facilities, with supporting infrastructure and public facilities. The element may include provisions that specifically address affordable housing for persons 60 years of age or older. Real property that is conveyed to a local government for affordable housing under this sub-subparagraph



- Housing all current and anticipated residents
- Providing adequate sites
- Eliminating substandard housing

shall be disposed of by the local government pursuant to Florida Statutes Section 125.379 for counties and Section 166.0451 for municipalities.

- e. Provision for relocation housing and identification of historically significant and other housing for purposes of conservation, rehabilitation, or replacement.
  - f. The formulation of housing implementation programs.
  - g. The creation or preservation of affordable housing to minimize the need for additional local services and avoid the concentration of affordable housing units only in specific areas of the jurisdiction..
2. The principles, guidelines, standards, and strategies of the housing element must be based on data and analysis prepared on housing needs, which shall include the number and distribution of dwelling units by type, tenure, age, rent, value, monthly cost of owner-occupied units, and rent or cost to income ratio, and shall show the number of dwelling units that are substandard. The data and analysis shall also include the methodology used to estimate the condition of housing, a projection of the anticipated number of households by size, income range, and age of residents derived from the population projections, and the minimum

housing need of the current and anticipated future residents of the jurisdiction.

3. The housing element must express principles, guidelines, standards, and strategies that reflect, as needed, the creation and preservation of affordable housing for all current and anticipated future residents of the jurisdiction, elimination of substandard housing conditions, adequate sites, and distribution of housing for a range of incomes and types, including mobile and manufactured homes. The element must provide for specific programs and actions to partner with private and nonprofit sectors to address housing needs in the jurisdiction, streamline the permitting process, and minimize costs and delays for affordable housing, establish standards to address the quality of housing, stabilization of neighborhoods, and identification and improvement of historically significant housing.
4. State and federal housing plans prepared on behalf of the local government must be consistent with the goals, objectives, and policies of the housing element. Local governments are encouraged to use job training, job creation, and economic solutions to address a portion of their affordable housing concerns.

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**The state, through a contract with the Shimberg Center for Affordable Housing, provides every local government with data showing how many units of homeownership and rental units are needed within the jurisdiction.**

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## HOUSING ELEMENT DATA AND ANALYSIS REQUIREMENTS

The housing element is to be based on data from the latest decennial United States Census or more recent estimates, including the affordable housing needs assessment that is provided by the state.

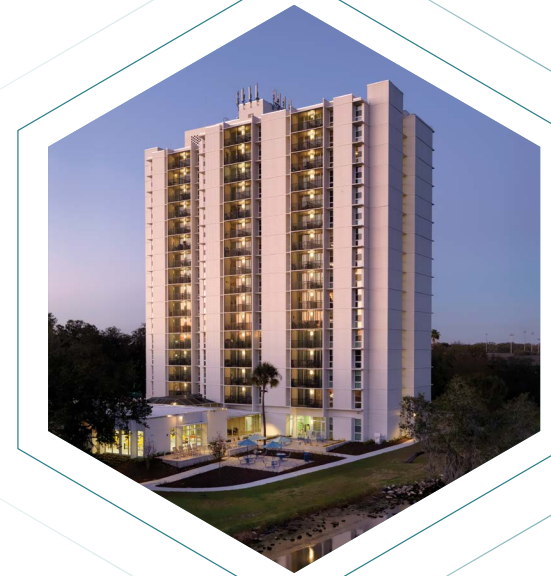
Local governments in Florida have easy access to housing needs information from the Florida Housing Data Clearinghouse at the Shimberg Center for Housing Studies at the University of Florida <http://flhousingdata.shimberg.ufl.edu/>

## AFFORDABLE HOUSING IMPROVES THE ECONOMIC HEALTH OF THE COMMUNITY AND ENHANCES THE LIVABILITY OF THE COMMUNITY FOR EVERYONE

When a community has dilapidated housing stock, or people living on the streets, the entire community suffers. Those who are in the dilapidated housing or without any housing certainly suffer the most. But inadequate housing effects everyone in the community.

None of us want to explain to our children why the richest country in the world has people living in shacks or without homes at all. Some would argue that adequate housing is a moral imperative as much as a legal obligation.

Aside from the legal obligation to provide housing for the entire current and anticipated population, every local government in Florida should provide a mix of housing so that it can continue to grow economically. When new industries evaluate a prospective community, one of the factors they consider is whether adequate workforce housing is available. New industries provide jobs and a substantial property tax base. To attract new industry and raise the property tax base of your community through the development of nonresidential properties, you must have an adequate inventory of affordable housing. In some communities, where housing is extremely expensive, such as the Florida Keys, Naples, and any number of other waterfront communities, there is a very real threat of losing basic services, such as teachers and police protection due to a lack of affordable housing.



Over forty years ago, a teachers' association used HUD Section 236 funding to develop the Tampa-based 197 unit CTA River Apartments to house retired teachers, living on fixed incomes. With its HUD Section 236 loan maturing, it was in a real danger of being converted to a market rate development which would displace over 200 low income senior residents. Sage Partners stepped in and gutted the old, dilapidated high-rise, transforming it into Aqua - a Hillsborough Riverfront beauty. In addition to providing residents with new kitchens, bathrooms, and appliances in every apartment, common area amenities include community, fitness and yoga rooms, an arts and crafts center, a computer lab, and a library.



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## **Hospitals... Schools...Technology/Business Parks all need housing for employees**

To attract new industry and raise the property tax base of your community through the development of nonresidential properties, you must have an adequate inventory of affordable housing.

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Affordable housing should be located throughout the jurisdiction to provide maximum housing opportunities for all families. It is not necessary to avoid a “concentration” of affordable housing in the way we have learned to avoid a concentration of government-built housing. The premise behind avoiding a concentration of the public housing built and operated by the government is that the public housing population may suffer from social ills associated with unemployment and poverty.

The concentration of extremely low income families in poorly managed and maintained properties has, in some instances, led to problems with drug or other criminal activity. Affordable housing built, managed, and maintained by the private sector is typically housing for working families; families that should be located near job centers, good schools and, whenever possible, public transportation.



# HOW IS AFFORDABLE HOUSING DEVELOPED?

The legal obligation to provide for the housing needs of the entire current and anticipated population, as outlined in Chapter Three, does not mean that local government is expected to develop or construct housing. Local government is expected to use its land use authority to encourage and assist the private sector to produce affordable housing. Local government has a number of tools to encourage and assist the private sector in developing affordable housing. Those tools include: (1) Planning, (2) Financing, and (3) Regulatory Reform.

## PLANNING FOR AFFORDABLE HOUSING

Planning is an essential part of producing affordable housing. In Florida, planning for affordable housing begins with comprehensive planning. Every local government is required to plan, in its housing element, for the housing needs of its entire population: existing residents, anticipated residents, and those with special needs such as farmworkers and people in need of group homes. Part of comprehensive planning for affordable housing is the designation of adequate sites for affordable housing on the future land use map. The future land use map is a required element in the

comprehensive plan. Another part of planning for affordable housing is implementation of the comprehensive plan housing element and future land use map through consistent land development regulations and development orders.

## ADEQUATE SITES

Homeownership is what many favor for themselves and for others. Unfortunately, the number of persons earning wages too low to afford homeownership means that rental housing is the type of affordable housing most needed in Florida. Rental housing generally takes the form of high



**Local government has a number of tools to encourage and assist the private sector in developing affordable housing.**

rise apartments, garden apartments, townhouses, and quadruplexes, triplexes, or duplexes. Providing adequate sites for rental housing means that local government future land use maps and local zoning codes designate sites for multifamily housing. These sites should be within the urban service boundary, close to major employment, transportation, schools, day care, and other community and social services. To promote a mix of incomes and provide housing choice, affordable housing could be permitted in all residential areas, subject to design standards, as well as in mixed-use areas where traditional neighborhood design is encouraged.

When adequate sites are not designated for multi-family housing the result is a deficit of housing for residents and employees within the jurisdiction. This is because developers are not likely to undertake the task of comprehensive plan or zoning changes to accommodate multifamily housing. If the developer does brave an application for a zoning change, he or she is often subjected to abusive behavior. Police escorts from city and county commission chambers to protect developers from the (Not In My Backyard) NIMBY crowd are not atypical enough. In addition to emotional stress, the developer suffers substantial time delays, and increases in the cost of development, which may result in higher costs to the residents.

In 2004, the Florida Legislature amended Section 163.3177, Florida Statutes to encourage local governments to allow

The RabbleHouse pictured above is a 600 sq. ft. house with one bedroom, one bathroom, a large closet, a modest kitchen and generous living area. Designed to withstand the Florida heat and wind loads up to 140 miles per hour, the building is also energy efficient, with electric utility bills estimated to run approximately \$50 per month. The cost of materials to construct the RabbleHouse is close to \$35,000. If you factor in \$15,000 for a small lot and utility connections, the homeowner's mortgage is estimated to be less than \$300 per month. Learn more at [RabbleHousers.com](http://RabbleHousers.com).



accessory dwelling units in any area zoned for single-family residential use for the purpose of providing affordable rental housing. Land development codes that permit “pocket neighborhoods” are essential for providing “tiny houses” which are becoming an increasingly popular product for serving single millennials, veterans, elders, and formerly homeless. For example, the 600 square foot RabbleHouse (above) has been developed by Sustainable Design in Alachua County.

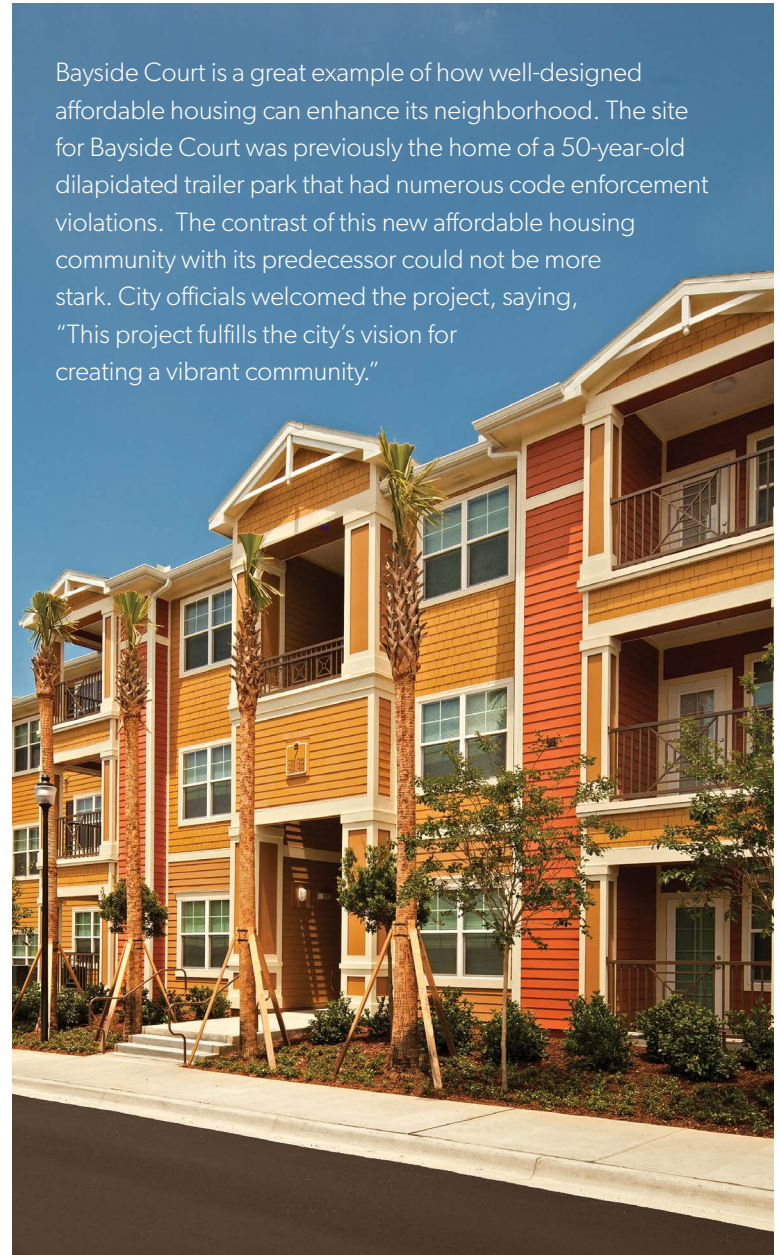
## IMPLEMENTATION THROUGH LAND DEVELOPMENT REGULATIONS

Every local government must adopt land development regulations (ordinances), which implement the policies in the comprehensive plan within twelve months from adoption of the plan or plan amendment. These land development regulations may be as commonplace as an impact fee waiver/reduction, or as progressive as an inclusionary zoning ordinance, requiring all developments of a certain size to include some percentage of affordable housing within the development.

Even in instances of good comprehensive planning, evidenced by a housing element with measurable goals, objectives, and policies based on reliable data and analysis, an affordable housing development may be tied up in the development or permitting process by vehement opposition from the community, because of inadequate land development regulations. For example, zoning codes that are so restrictive as to necessitate a public hearing for any increase in density or deviation from a minimum threshold will result in NIMBY opportunities.

The adoption of a zoning code that implements the future land use map and the goals, objectives, and policies of the housing element is the first step in avoiding this problem. For example, a zoning code which provides a density bonus as a special exception rather than as a conditional use, or a zoning code which permits all types of residential uses within each residentially zoned area, would go a long way toward avoiding NIMBYism. Another progressive move toward averting NIMBYism is to delegate to staff those matters which are not required by local charter or code to come before the city or county commission. Eliminating unnecessary public hearings will reduce opportunities for nonproductive community opposition.

Bayside Court is a great example of how well-designed affordable housing can enhance its neighborhood. The site for Bayside Court was previously the home of a 50-year-old dilapidated trailer park that had numerous code enforcement violations. The contrast of this new affordable housing community with its predecessor could not be more stark. City officials welcomed the project, saying, "This project fulfills the city's vision for creating a vibrant community."





Railroad Avenue Apartments: The City of Winter Park provided over one million dollars from a combination of local government funds generated from a linkage fee ordinance and other local government initiatives to leverage Federal HOME funds and provide units of new construction rental for low income families developed by Orlando Neighborhood Improvement Corporation. Partners included the Winter Park Housing Authority (which is leasing the land from the city), the nonprofit developer, Orlando Neighborhood Development Corporation, the Orange County Housing Finance Authority, Florida Community Partners, Florida Community Capital Corporations, and the Orange County SHIP program. Twelve units house very low income families; 10 units house low income families; and 8 units are market rate, no income restrictions.

## FINANCING

Most of the financing for affordable housing will come directly from the federal government or from federal and state programs administered by the Florida Housing Finance Corporation (FHFC). In many of these programs, developers are competing in a process that rewards those who can leverage funds administered by the FHFC with local contributions. All counties and entitlement cities in Florida have SHIP funds. Local governments over 50,000 in population also have federal HOME and CDBG monies to award to local developers. Making these awards in a timely manner can be critical to the developer's success in securing the federal and private sector conventional financing that constitutes the majority of the funds needed to finance the development. Local government can also contribute financially through a number of other means, such as waiver, payment, or reduction in water and sewer, transportation, or other impact fees; contribution of infrastructure, and surplus land or use of general revenue to supplement the financial subsidy in the development. Developing affordable housing is only accomplished through the joint efforts of the private and public sectors.

## REGULATORY REFORM

Reforming regulations that add to the cost of housing is an essential local government tool. But housing quality must be maintained while costs are reduced. If too many reliefs from regulation are granted simultaneously, such as reduced set-backs, combined with narrow streets, and on-street parking, the quality of the development will be reduced, giving the neighborhood a legitimate reason for opposing the development. Regulatory reforms that are balanced and provided as a matter of right will increase the delivery of affordable homes.

Regulations that have no positive effect on the health, safety, and welfare of the community, and have a detrimental effect on affordability have no legitimate place in the zoning code. An example of this would

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**All local governments receiving SHIP funds must:**

- 1. Expedite all permits for affordable housing; and**
- 2. Have an on-going process of review of all land development regulations, comprehensive plan amendments, and ordinances that increase the cost of housing, prior to adoption.**



Located in Miami, the Roylton is a historic Miami hotel originally built in 1923. Now renovated and restored by Carrfour Supportive Housing into an affordable housing community, this downtown gem provides 100 furnished apartments serving formerly homeless and low income residents, with amenities including wireless internet, a community/TV room, meeting facilities, a computer lab, and laundry facilities on each floor.

be a minimum square footage requirement or a requirement that all homes have two car garages. Such an ordinance adds to the cost of housing without providing a counter-balancing public purpose. These issues are addressed in Chapter Five on the connection between affordable housing and fair housing.

When the SHIP program was created in 1992 (see Appendix One, William E. Sadowski Affordable Housing Act), providing millions annually in grant monies to local government for the production of affordable housing, it came with the condition

that local government do its part to reduce the cost of housing by expediting permits specifically for affordable housing. “Permits” are defined in accordance with Section 163.3164 (7), (8), Florida Statutes: “A permit is a development order which means any order granting, denying, or granting with conditions an application for a development permit. A development permit includes: any building permit, zoning permit, subdivision approval, rezoning, certification, special exception, variance, or any other official action of local government having the effect of permitting the development of land.”

### **The Tampa Housing Authority's vision for Encore:**

The Encore project began more than five years ago when the aging Central Park Village public housing complex was torn down. The vision was to transform the 28-acre site into a \$450-million mixed-income village center with apartments, shops, a grocery store, bank, offices, and a Black History museum.



Located in Tampa, the Trio is part of the downtown Encore Development and is made up of one 6-story, and two 4-story buildings totaling with 141 units of one, two, three and four-bedroom floor plans that are rented at market rates and subsidized rates based on the tenants' incomes. Developed by the Tampa Housing Authority, the Trio's amenities include a state-of-the-art fitness center, media theater, internet café, lobby gallery and pool. The Trio was built in what was once considered a blighted neighborhood, but today its location can't be beat. It's located close to popular destinations such as Waterfront Park, Ybor City, and the Channelside District.

Local government planners, engineers, and others in the land use permitting loop, are not in the business of administering the SHIP program, and are frequently unfamiliar with its legal parameters. But unless a preference in timing is given to affordable housing development in all aspects of land use permitting, as defined above, the local program is not conforming to the requirements of the SHIP statute. And, if corrective action is not taken to implement expedited permitting for affordable housing, the grant of SHIP funds to the local government can be terminated.

When local government submits its annual SHIP report to FHFC it must include a dollar estimate for the increase in housing costs associated with the adoption of land development regulations during the preceding year. To accomplish this, local government will need a housing economic impact assessment each time it adopts an ordinance so that an annual tally can be made. This process does not prevent local government from adopting ordinances that increase the cost of housing, but it does insist upon an awareness of the consequences for affordable housing from a variety of land development regulations.

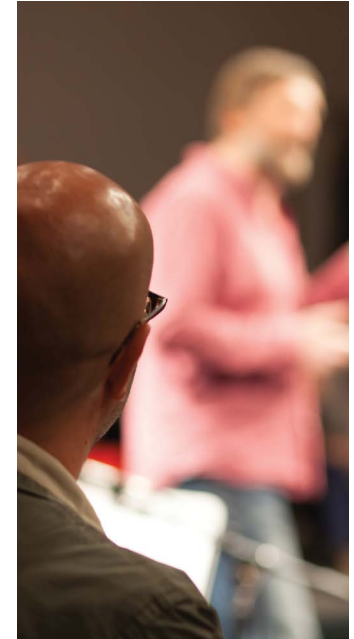
# HOW SHOULD NEIGHBORS BE INCLUDED IN THE PROCESS?

## Prior to the Public Hearing

When land use changes are proposed, nearby property owners are notified and invited to participate in the public hearing. Although affordable housing is no different in land use type from luxury housing, it may evoke a highly charged reaction within the neighborhood. The legitimate concerns of neighbors to a proposed development must be addressed.

### BEST PRACTICES FOR ADDRESSING COMMUNITY OPPOSITION PRIOR TO PUBLIC HEARING

- General education about affordable housing and its place of importance in the community should ideally take place long before public hearings on a specific development. Local government is in a position to assist in this effort by taking a leadership role through the words and actions of its elected officials and staff. If the community has heard positive messages about affordable housing, is generally aware of the need for affordable housing, and has enough evidence that there is no reason to fear affordable housing, community opposition need not emerge.
- One school of thought is that it is best for the developer to meet with neighbors before having a set plan for development to give the neighbors the opportunity to join in the planning and design of the affordable development. In this way, neighborhood “buy-in” is the greatest. But many believe this is not the way to go, as it sends a message to the neighborhood that there is something different about affordable housing that justifies it being treated in a different manner



**Many times the developer will discover that opposition to the development is based on misinformation.**



To avoid the NIMBY battle during a public hearing, it is best if the developer can meet with the neighbors ahead of time to answer any questions they may have about the proposed development.

from market rate housing. After all, it would be highly unlikely that a developer of luxury or market rate housing would ever solicit community input for the design or plan of the proposed luxury or market rate development.

- To avoid the NIMBY battle during a public hearing, it is best if the developer can meet with the neighbors ahead of time to answer any questions they may have about the proposed development. Many times the developer will discover that opposition to the development is based on misinformation. This can be rectified by explaining the plan for development or showing the development plans to the neighboring property owners. There is some difference of opinion as to whether the developer should reach out to neighbors. Some believe it is extremely productive, while others find it creates a forum for building opposition momentum.
- Neighboring property owners are often concerned that the affordable housing development will not look attractive. The developer could respond best to these concerns by taking the neighbors on a tour of developments similar to the proposed development and arranging for the neighbors to speak with residents who live near an affordable development. Oftentimes, if neighbors get a chance to see an affordable housing development, they are so surprised by how attractive it is that they no longer object to the proposed development.
- A reduction in property value is usually the primary concern heard from community opposition. Dispelling the myth that affordable housing reduces property values is a must. Fortunately, a great many studies have been done nationwide to provide us with the evidence we need that affordable housing does not reduce property values, and indeed, in some instances increases neighboring property values.
- Distinguishing between legitimate concerns that may be easily addressed and opposition based on fear, ignorance, or bigotry is critical. A tip-off that community opposition is not grounded in legitimate concerns is when the developer addresses one issue, only to find another issue is raised, and when that issue is addressed, yet another issue is raised, and so on.





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### DURING THE PUBLIC HEARING

Nearly every hearing in regard to a particular development approval will be quasi-judicial in nature. This means the county or city commission must conduct the hearing in a courtroom-like manner to ensure the due process rights of the citizen requesting a land use permit. The quasi-judicial nature of the proceeding requires that the comments made to the commissioners be treated as testimony and

that decision-makers base their decisions on substantial competent evidence.

For example:

The crowd opposing the development makes vehement claims of traffic concerns, but does not produce a traffic study to support its position. The developer submits a credible traffic study which shows the traffic impacts to be negligible. In this

Each development pictured above was developed by the Boley Centers. Photo 1: Sunset Point: Sunset Point is a 14-unit complex that offers one-bedroom apartments for individuals who are disabled by mental illness and have low income in Clearwater. Photos 2 and 4: Duval Park provides 88 units of permanent supported housing for Veterans with service connected disabilities, along with their families. Residents have access to supportive services such as job placement, education opportunities, temporary financial assistance, family support, transportation and links to other essential services within the community. Photo 3: Opened in 2016, Mastery Apartments provides eight units of housing for homeless, disabled Veteran and their families. The development is comprised of two and three bedroom units with supported housing services available on site.

## MORATORIUMS

A moratorium is to be used in cases of emergency to stop construction or development for a temporary period of time so that local government can adequately plan. In the case of affordable housing, every local government is legally compelled to have a local comprehensive plan and future land use map that has adequately planned for affordable housing (see Chapter Three, Why Include Affordable Housing in Your Community). It would therefore be unlikely that a moratorium on affordable housing could ever fall within legal parameters.

case, the local government would not have substantial competent evidence upon which to deny the development due to traffic impacts. It is important to encourage community participation while defusing affordable housing NIMBYs.

## BEST PRACTICES FOR ADDRESSING COMMUNITY OPPOSITION DURING THE PUBLIC HEARING

- Affordable housing should be treated exactly as any other housing. There are two exceptions to this rule:
  - (1) Affordable housing permits must be expedited. Delaying or continuing a land use or permitting hearing based on neighborhood opposition undermines the legal requirement for expediting affordable housing permits. The most extreme example of delaying an affordable housing development based on neighborhood opposition would be the adoption of a moratorium which has the effect of stopping the development.
  - (2) Affordable housing should be treated as “infrastructure like” for purposes of fiscal impact analysis, and like schools, roads, or hospitals, should not be subject to a fiscal impact analysis for purposes of permitting decisions.
- Treating affordable housing as you would treat any other housing means there should be no consideration given to the “type” of people who will be living in the housing when making a land use decision. If a permitting decision is made based on the fact that the development is affordable, the local government will be violating Section 760.26, Florida Statutes.
- Everyone who speaks about the development at the public hearing should be treated as a witness. They should state their name and address for the record and speak into a microphone as the hearing is taped. This means it is inappropriate to allow anyone to yell out comments from their seats or the back of the room. After the testimony from the community opposition is heard, the party requesting the development permit should have an opportunity for response or rebuttal to that testimony. If, for example, a public hearing is held in a manner that allows the petitioner to make a five or ten minute presentation and that presentation is followed by five minutes of community opposition testimony from 75 people, the hearing has taken on a decidedly lopsided flavor, where decisions appear to be made by majority (or some might say “mob”) rule rather than a fair evaluation of the facts.

# THE WILLIAM E. SADOWSKI AFFORDABLE HOUSING ACT

The Florida Legislature enacted the William E. Sadowski Affordable Housing Act in 1992, creating a dedicated revenue source by increasing the documentary stamp tax paid on the purchase price of all residential and commercial deeds. A strong coalition of diverse interest groups, including the Florida Home Builders Association, the Florida Association of Realtors, the Florida League of Cities, the Florida Association of Counties, The former Department of Community Affairs, the Florida Housing Finance Corporation, 1000 Friends of Florida, the Florida Housing Coalition, Florida Impact, Florida Catholic Conference, and Florida Legal Services banded together to support this legislation. The Sadowski Coalition has grown to more than 30 statewide organizations as shown on the next page, now including a greater number of business groups, including the Florida Chamber of Commerce, and more special needs, veterans, and elderly advocates, including The Arc of Florida, the Florida Veterans Foundation, and Florida AARP.

The monies from the documentary stamp are split between all counties and entitlement municipalities and the Florida Housing Finance Corporation. The monies are split approximately 70/30 between local government and the State, respectively.

The Sadowski Act created the State Housing Initiatives Partnership Program (SHIP), Section 420.9067, Florida Statutes. Local governments receive annual allocations based on population, distributed periodically throughout the year. These monies are to be used to implement the housing element of the local comprehensive plan, consistent with the SHIP plan

adopted by the local government. Certain legal parameters apply to SHIP plans, including that 65% of the monies are to be used for home ownership related activities; 75% of the monies are to be used for construction related activities. Local government is required to implement regulatory reform in the form of expedited permitting for affordable housing and an ongoing process of review of all land development regulations, comprehensive plan amendments, and ordinances that increase the cost of housing, prior to adoption.

The Catalyst Program was also created by the Sadowski Act. This program is administered by the Florida Housing Finance Corporation and is used to provide free technical assistance and training to local governments and nonprofit organizations. The Florida Housing Finance Corporation uses the Florida Housing Coalition to provide workshops and on-site technical assistance throughout the state on a broad range of housing issues.

The portion of the Sadowski Act monies that are distributed to the state are used by the Florida Housing Finance Corporation to fund its programs, which are largely low-interest loan programs for the development of rental housing for low and very low income families. The Florida Housing Finance Corporation operates like a public interest bank. It makes loans based on a highly competitive process which generally requires an experienced development team with immediate ability to proceed on a project that uses the least amount of government subsidy and offers maximum resident services and amenities, with units set aside for 50 years of affordability.

## SADOWSKI HOUSING COALITION MEMBERS

### BUSINESS/ INDUSTRY GROUPS

- Associated Industries of Florida
- Coalition of Affordable Housing Providers
- Florida Apartment Association
- Florida Bankers Association
- Florida Chamber of Commerce

### ADVOCATES FOR THE ELDERLY/ VETS/ HOMELESS/ SPECIAL NEEDS

- AARP of Florida
- Florida Association of Housing and Redevelopment Officials
- Florida Coalition for the Homeless
- Florida Housing Coalition
- Florida Legal Services

### GOVERNMENT/ PLANNING ORGANIZATIONS

- American Planning Assoc., Fla. Ch.
- Florida Association of Counties
- Florida Association of Local Housing Finance Authorities
- Florida League of Cities
- Florida Redevelopment Assoc.
- Florida Regional Councils Assoc.

### BUSINESS/ INDUSTRY GROUPS

- Florida Green Building Coalition
- Florida Home Builders Association
- Florida Manufactured Housing Association
- Florida Realtors
- Florida Retail Federation

### ADVOCATES FOR THE ELDERLY/ VETS/ HOMELESS/ SPECIAL NEEDS

- Florida Supportive Housing Coalition
- Florida Veterans Foundation
- Florida Weatherization Network
- LeadingAge Florida
- The Arc of Florida
- United Way of Florida

### FAITH BASED ORGANIZATIONS

- Florida Conference of Catholic Bishops
- Florida Impact
- Habitat for Humanity of Florida
- Volunteers of America

# GLOSSARY OF TERMS AND ACRONYMS

**Affordable Housing:** The rule of thumb used by the federal government is that housing should cost no more than 30 percent of a household's gross income. Housing costs include rent or mortgage payments, property taxes (for homeowners), renter's or homeowner's insurance, and utility costs. Many, though not all, federal, state, and local funding programs require affordable housing providers to use this standard when setting rents or purchase prices for their units. Depending on the program, the rent or purchase price of a unit may be set at 30 percent of a specific income level (e.g. 50 percent of Area Median Income), or at 30 percent of the applicant household's income.

One example of a program that does not have a specific definition of affordability is the Community Development Block Grant (CDBG). In practice, many CDBG grantees use the 30-percent standard.

**Affordability Period:** The period during which a subsidized owner-occupied or rental unit must be kept affordable to households at designated income levels. Affordability periods vary widely among subsidy programs, generally ranging from 15 to 50 years. This period is sometimes also referred to as a "compliance period".

**Area Median Income (AMI):** The median household or family income in a designated geographic area, usually a metropolitan area or a county, adjusted for household size. Every year, the U.S. Department of Housing and Urban Development (HUD) calculates "Median Family Incomes" for designated geographic areas around the country, using data from the U.S. Census Bureau and the Consumer Price Index. State and local housing programs generally

use HUD's Median Family Income calculations for their own definitions of Area Median Income.

Note that in any given year, HUD's Median Family Incomes are different than median family incomes and median household incomes calculated by the Census Bureau, due to differences in calculation methods.

**Deferred-Payment Loan:** A loan to a home buyer or affordable housing developer that does not have to be repaid until a later date, when or if certain conditions are met. For example, if a home buyer receives a deferred-payment loan for down payment assistance or mortgage principal reduction, he or she may have to pay back all or part of the loan if he or she sells the home during the affordability period (see Recapture). Depending on the program, deferred-payment loans may be forgivable under certain circumstances.

**Extremely Low income (ELI) Household:** A household with an income up to 30 percent of the Area Median Income (AMI).

**Forgivable Loan:** A loan to a home buyer or affordable housing developer for which repayment is not required if certain conditions are met. For example, in some home buyer subsidy programs, the home buyer is assisted with a loan that is forgiven if he or she lives in the home for a certain minimum amount of time.

**Gap Financing:** Gap financing generally refers to a grant or loan that covers the difference between the cost of developing and operating an affordable housing project, and the funding sources that the developer has already obtained or is likely to obtain.

**Guarantee:** In the affordable housing field, a guarantee usually refers to a pledge from a funding agency to repay a mortgage or other loan if the borrower (an income-qualified home buyer or affordable housing developer) defaults. Loan guarantees encourage private lenders, such as banks, to make loans to individuals and organizations who would otherwise be considered too risky.

**Joint Venture:** A legal entity created by two or more organizations to undertake a specific project, sharing the benefits and risks according to a specified agreement. In affordable housing, a joint venture generally refers to a development project undertaken by two or more organizations working in partnership. The parties of a joint venture may be an inexperienced and experienced housing developer, a housing developer and a social service agency, or other configuration. A joint venture may consist of nonprofit organizations, for-profits, or both.

**Loan-to-Value (LTV) Ratio:** The ratio of a mortgage loan for a home buyer or rental housing developer to the total value of the property. Some funding programs have a maximum loan-to-value ratio used to determine the maximum amount of subsidy to award to an applicant.

**Low income (LI) Household:** The most commonly used definition of a low income household is one whose annual income is no more than 80 percent of Area Median Income (AMI). The entries in this Guide use this definition of low income unless otherwise stated. One program that uses a different definition is the Community Development Block Grant. Under CDBG regulations, a low income household is one whose income is up to 50 percent of AMI.

**Moderate-Income Household:** Under Florida Statutes, a moderate-income household does not exceed 120 percent of the Area Median

Income (AMI). Under the CDBG and Neighborhood Stabilization Programs (NSP), a moderate-income household has an income greater than 50 percent of AMI but no more than 80 percent of AMI. Some programs, such as those administered by the United States Department of Agriculture's Rural Housing Service (USDA RHS), have their own definitions of moderate-income.

**Recapture:** A recapture provision is one way to ensure that a subsidy for an owner-occupied home remains available for future low income home buyers. A recapture provision is triggered if a low income homeowner who benefited from a subsidy chooses to sell the house during the affordability period. Depending on the specific program guidelines, the homeowner may have to pay back all or part of the original subsidy using proceeds from selling the house. The entity that administers the program can reinvest these recaptured funds to help future home buyers.

The term "recapture" can also refer to a funding agency requiring a beneficiary (a public or private entity or an individual) to pay back funds, if the beneficiary used them for inappropriate activities, failed to spend them by an agreed-upon deadline, or otherwise failed to comply with the program.

**Resale Requirement:** If an affordable home sold to an income-qualified homebuyer has a resale requirement, the homeowner is legally required by a deed restriction or land covenant to sell the home to another income-qualified household at an affordable price (when/if the first homeowner chooses to sell.)

**Very Low income (VLI) Household:** A household with an income up to 50 percent of the (Area Median Income).

# ACRONYMS

**AHP:** Affordable Housing Program (Federal Home Loan Bank of Atlanta)

**ALF:** Assisted Living Facility

**AMI:** Area Median Income

**CCTC(P):** Community Contribution Tax Credit (Program)

**CDBG:** Community Development Block Grant

**CHDO:** Community Housing Development Organization

**DEO:** Department of Economic Opportunity

**FCLF:** Florida Community Loan Fund

**FHFC:** Florida Housing Finance Corporation (or “Florida Housing”)

**FSS:** Family Self-Sufficiency Program

**FTHB:** First-Time Homebuyer Program

**FY:** Fiscal Year

**HCV:** Housing Choice Voucher (also known as a “Section 8 Voucher”)

**HFA:** Housing Finance Agency

**HOME:** HOME Investment Partnerships Program

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

**IDA:** Individual Development Account

**LHAP:** Local Housing Assistance Plan

**LIHTC:** Low Income Housing Tax Credits (or “Housing Credits”)

**LTV:** Loan-to-Value Ratio

**MMRB:** Multifamily Mortgage Revenue Bond Program

**NOFA:** Notice of Funding Availability

**NSP:** Neighborhood Stabilization Program

**PBRA:** Project-Based Rental Assistance (acronym generally used for HOME and Section 8)

**PBV:** Project-Based Voucher

**PHA:** Public Housing Authority

**PJ:** Participating Jurisdiction

**PLP:** Predevelopment Loan Program

**PRA:** Project-based Rental Assistance (acronym generally used for Section 202 and Section 811)

**RA:** Rental Assistance

**RFA:** Request for Applications

**SAIL:** State Apartment Incentive Loan Program

**SHIP:** State Housing Initiatives Partnership Program

**SPRAC:** Senior Preservation Rental Assistance Contract

**TA:** Technical Assistance

**TBRA:** Tenant-Based Rental Assistance

**TBV:** Tenant-Based Voucher

**USDA:** U.S. Department of Agriculture

**WAP:** Weatherization Assistance Program



The Florida Housing Coalition Inc. is a nonprofit, statewide membership organization, whose mission is to bring together housing advocates and resources so that everyone has a quality affordable home and suitable living environment. The Coalition has seven offices throughout Florida and has been providing training and technical assistance since 1982, both in Florida and nationally.

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