



To The Sarasota Board of County Commissioners

Housing For All

Implementing Policies and Programs
that Make a Difference

Community Housing Work Group

APRIL 14, 2004

*"Enhancing our quality of life by the
affordability of our housing"*





Our Future

As the data will support, Sarasota County has some complex housing problems. Potentially, there are three solutions. We can:

- Let the market drive housing in a free market, *laissez-faire* style.
- Place the responsibility on government.
- Utilize the best experiences of the first two methodologies and craft a partnership among a broad range of players.

Members of the Community Housing Work Group share a vision. We see a coalition of varied interests and diverse capabilities forming to proactively address the housing needs of our community. Admittedly, the housing needs are complex, but we have consensus that partnerships can develop — that we can collectively work to provide quality and affordable housing to all people in our community.

- We see new and different roles for potentially new and different players.
- We know there may be different programs to address different levels of household income, and housing types (homeowners and renters).
- We acknowledge that government cannot solve all problems for all people — and that collective community efforts are most successful.
- We see innovative partnerships and approaches.
- We need broader community conversations to better understand our demographics and the principles of smart growth.
- We see smart growth being applied to redevelopment, infill and rehabilitation of existing neighborhoods, as well as future villages and towns envisioned in The Sarasota 2050 Plan.

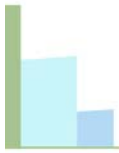
We support the action steps contained herein, and believe they will guide us in a proactive and deliberate fashion to provide increased numbers of homes for people of diverse incomes and needs. We are united in our support of this approach.

Executive Summary: Actions

CONTENTS	PAGE
Affordable Numbers	2
Wage Data—Today and Tomorrow	3
Key Issues and Assumptions	4
Smart Growth Principles	5

Listed below are actions the Community Housing Work Group recommends. These actions are proposed after careful review of data and broad discussion. The basis behind our thinking for each action step is outlined in more detail in the report.

ACTIONS	TIMEFRAME	PAGE
Refer to the need of producing housing affordable to all households earning less than 120 percent of Area Median Income (AMI) as — “community housing.”	Recommended herein — completed.	6
Create a senior staff position of housing advocate.	ASAP, but no later than July 15, 2004.	7
Create a community land trust.	Status report to the Board on the viability and form by September 30, 2004.	8
Identify government owned lands that could be used to produce more community housing.	Status report to the Board by September 30, 2004.	9
Initiate government led re-zonings for properties whose development or redevelopment will support smart growth principles and address community housing needs.	Status report to the Board by September 30, 2004.	9
Establish a housing trust fund and identify sources of funding.	Status report to the Board by September 30, 2004.	10-11
Establish a permanent Community Housing Committee in support of community housing goals.	Status report to the Board by September 30, 2004.	12
Codify incentives, direct and indirect, that will increase the supply of community housing.	Status report to the Board by September 30, 2004.	13-14
Change policies related to owner-occupied housing rehabilitation program.	As soon as possible.	15
Seek adaptability and flexibility in regulations that govern new construction and rehabilitation of housing.	Status report to the Board by September 30, 2004.	16



Affordable Numbers

Area Median Income.....\$54,300

(Area Median Income, often referred to as AMI, represents the median household income. The amount referenced above is for a family of four, and is from data at the U.S. Department of Housing and Urban Development,

2002 Average Wage: \$28,531 (\$13.72/hr)
 (Source: www.workforceflorida.com)

Median Wage (MSA): \$23,080 (\$11.10/hr)
 Source: www.floridawages.com

The Affordable Housing Study Commission, *Final Report 2001*, using 1998 data, identified the following:

- Family AMI for this report was \$49,463.
 - There are 144,939 total households (112,167 owned and 32,772 rented) in Sarasota County.
- 77 percent of all households are owned (112,167).
- 38 percent of all owner households (39,375) are owned by households with <80 percent AMI.
 - **41 percent of owner households (15,996) with <80 percent AMI are cost burdened.**

- 23 percent of all households are renters (32,772).
- 51 percent of all rental households (16,622) are rented by households with <80 percent AMI.
 - **75 percent of rental households (12,463) with <80 percent AMI are cost burdened.**

20% of all households (owned and rented) are occupied by households with <80 percent AMI and are cost burdened.

Sarasota Housing Availability
 Sales—Calendar Year 2003
 Source: [Florida New Business Report](#)

Type	Median	Average
New Condo Unit	\$198,300	\$531,482
New Home	\$167,100	\$211,272
Existing Condo Unit	\$150,000	\$225,326
Existing Home	\$155,500	\$235,063

“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 (AMI), adjusted for family size.

- Extremely low income describes a family at or below 30 percent of AMI.
- Very low income describes a family at or below 50 percent of AMI.
- Low Income describes a family at or below 80 percent of AMI.
- Moderate income describes a family at or below 120 percent of AMI (or at least 100 percent of income for federal programs).”

- Source: [Creating Inclusive Communities in Florida](#), Florida Housing Coalition

Housing Affordability Chart

Percent of Household AMI	Housing Affordability 30% to Rent	Housing Affordability 30% to Own
30% AMI \$16,290/year Extremely Low	\$407	\$47,400
50% AMI \$27,150/year Very Low	\$678	\$81,800
80% AMI \$43,440/year Low	\$1,068	\$137,000
100% \$54,300/year Moderate	\$1,357	\$170,000
120% \$65,160/year Moderate	\$1,629	\$205,000



Wage Data - Today and Tomorrow

The Florida Agency for Workforce Innovation, Labor Market Statistics, in a report entitled Occupations Gaining the Most New Jobs, makes the following forecast:

- The top 72 occupations will create approximately 5,900 annual job openings in each of the next nine years (2003-2011).
- Annually, 3,000 of these jobs will be newly created and 2,900 will be replacements.
- The bottom 80 percent of these workers (4,650 annually), has an average hourly wage of \$10.55, using today's pay scale. This implies that 80 percent of the replacement and new jobs over the next eight years will have an average annual wage of approximately \$21,000 — \$22,000.

Putting a human face on the need for housing affordability is important.

Sarasota Occupations With 1,000 or More Persons Employed Paying A Wage Equal to Or Less than the 2002 County Average Wage (\$13.72/hr.)

Occupation Title	Number Employed in 2003	Average Wage In 2003
Medical Assistants	1,324	\$13.34
Maintenance and Repair Workers	1,573	\$12.74
Customer Service Representatives	2,621	\$12.68
Bookkeeping Accounting and Auditing Clerks	3,220	\$12.65
Truck Drivers	1,521	\$12.33
Secretaries	2,848	\$11.65
Retail Salespersons	6,406	\$11.14
Hairdressers, Hairstylists, and Cosmetologists	1,430	\$10.64
Nursing Aides, Orderlies and Attendants	2,648	\$9.91
Receptionists and Information Clerks	2,214	\$9.88
Cooks, Restaurant	2,005	\$9.87
Office Clerks, General	5,181	\$9.82
Construction Laborers	1,409	\$9.80
Stock Clerks and Order Fillers	3,072	\$9.66
Landscaping Workers	3,124	\$9.65
Team Assemblers	1,245	\$9.59
Janitors and Cleaners	2,730	\$8.51
Cashiers	3,976	\$8.30
Maids and Housekeeping Cleaners	1,484	\$8.24
Laborers and Freight, Material Movers, Hand	1,645	\$7.90
Packers and Packagers, Hand	1,124	\$7.62
Waiters and Waitresses	4,717	\$7.52
Food Preparation and Serving Workers	2,701	\$7.13
Bartenders	1,026	\$7.01

Source: Florida Agency for Workforce Innovation, Labor Market Statistics



Key Issues and Assumptions

Each of the action steps included in this report address one of the three issues noted below: resources, regulations, and resistance.

Resources

... include federal and state funds administered by the Office of Housing and Community Development (OHCD). National and state budget constrictions are placing extreme downward pressure on these traditional sources of funds. Down-payment, rent and rehabilitation assistance account for the majority of the SHIP, HOME and CDBG dollars provided. Over 2,200 families and individuals have received some degree of OHCD assistance in the past three years. Five hundred new rental units and 69 new owner occupied units have been produced during this period. Three hundred additional rental units are now under construction.

The demand for housing continues to outpace the supply. One of the most important reasons routinely identified for inadequate production of community housing is the availability and cost of land. It seems clear that the development of new resources and partnerships are necessary to successfully address our housing needs.

Regulations

... have been identified as barriers to increasing the supply of affordable housing, in particular those related to density, impact fees and zoning. As a result, both the for-profit and not-for-profit housing sectors have been limited in their ability to produce housing that is readily affordable to a broad range of our community. Current regulations often limit the ability to proactively support the development of cost-effective single family and multi-family housing.

Resistance

...or "Not in My Backyard" (NIMBY) attitudes are some of the toughest challenges to producing community housing. A community that understands its long term viability and well-being depends on an adequate supply of housing for ownership and rental, supporting a range of household incomes below 120 percent of Area Median Income (AMI).

Within our community, we do not share similar understandings regarding the depth of housing need. Because of a range of misperceptions, we appear to have a history of blocking higher density developments and developments that have any suggestion of "affordability." The reality is we need housing that all community members can afford — housing that will support our economy — cost-effective housing that will allow our parents and grown children to live here. Housing established within the principles of Smart Growth will build strong communities.

Assumptions

- **Housing for All** is vital to the social, economic and environmental well being and sustainability of the Sarasota community.
- **Government** has a fundamental role in encouraging private sector production of affordable housing.
- **The Private Sector** has an interest in providing housing for individuals and families of diverse income levels, provided it is economically feasible.
- **The Problem** is acute and intensifying.

Smart Growth Principles

Smart growth principles are an integrated approach to development that, according to one published definition, describes a development that serves the economy, community and the environment in a way that is more sustainable and suitable than current practices. As one advocate put it, "Smart growth is not anti-growth, anti-car or anti-suburb; rather it is about better growth through improved transportation options and the development of better places to live in towns, suburbs and cities."

Principles of Smart Growth Include:

- Mixed use
- Compact building design
- Housing opportunities for a range of household types, family sizes and income
- Walk-able neighborhoods
- Distinctive, attractive communities with a strong sense of place
- Preserve open space, natural beauty, historic buildings and critical environmental areas
- Strengthen existing neighborhoods
- Provide a variety of transportation choices
- Predictable, fair and cost-effective development decisions
- Encourage citizen and stakeholder participation in development decisions

**Source: Danielle Argoni, [Affordable Housing and Smart Growth: Making the Connection](#)*

The Community Housing Work Group believes that these principles should be the foundation for community housing policies and be used as criteria to evaluate the benefits of proposed new housing and redevelopment projects. Other principles such as proximity to employment opportunities, schools, mass transportation access, and commerce should be considered.

It is recommended that within the urban service boundary, density nodes that incorporate smart growth principles be created. This integrated approach, according to one published definition, can be described as development that serves the economy, community and the environment in a way that is more sustainable and equitable than current practices.



A density bonus matrix should be developed that allows unit credits for various smart growth principles incorporated into development and redevelopment plans. Outside of the urban service boundary, smart growth principles are the foundation for Sarasota County's 2050 Plan.

"Community Housing"

It's about "community housing."

Key Issue: Resistance

Timeframe: Completed

When we began, the key words used to describe our efforts centered on the phrase "affordable housing."

- From the beginning of our deliberations, some members of the Work Group felt the term, "affordable housing," carries a negative image reflecting those highly urbanized, often unattractive, public housing projects so many find objectionable.
- We recognized the importance of providing "work force housing" in Sarasota County, but also realized that term, for example, did not cover the full spectrum of housing needs.
- We discussed using a broad term like "income-sensitive housing," but felt that this term might also be misinterpreted.
- In reviewing the demographic data and income data, the Community Housing Work Group understands and agrees that housing needs to be affordable to all members of our diverse community, and thus we settled on the descriptor — "community housing."

- "Community housing" describes owned and rental housing available to all households that have a household income below 120% of Sarasota County's Area Median Income (AMI).

This was a significant discussion. Sometimes words truly matter. We recognized the importance of expanded community understanding of the issues — that affordable, quality housing is a need for all of us. We have a diversity of income, and diversity of need.

Referring to future construction or renovation of affordable housing as providing "community housing" may eliminate an unfair perception and expand understanding and "buy in."





Senior Staff Position

Create a senior staff position of housing advocate.

Key Issue: Resources

Timeframe: As soon as possible, but no later than July 15, 2004.

It is necessary to have a “champion” within the government structure assuring the action steps contained in this report, and any other initiatives which promote community housing in Sarasota County, are implemented.

The Community Housing Work Group recommends the County Administrator hire such a housing advocate, providing support staff as needed.

- This imaginative and self-starting individual should be entrepreneurial, with demonstrated history of building and nurturing a broad range of inter-relationships.
- The advocate needs to have strong negotiating skills, and extensive knowledge in real estate transactions.
- The advocate must be capable of building coalitions with existing private and public (municipal, county, state and federal) agencies to strategically support our housing goals.
- The advocate must have knowledge of the breadth and complexity of government and private financial support mechanisms available.
- The advocate must have access to the County Administrator, and the support and capacity to build relationships to get things done.

The Community Housing Work Group recommends that this position be adequately funded, so a person with substantial abilities can be hired. The Work Group believes there may be private or foundation dollars available to augment the advocate's salary.

Create a community land trust.**Key Issue: Resources****Timeframe: Status report to the Board on the viability and form by September 30, 2004.**

Recognizing one of the greatest obstacles to housing affordability in Sarasota County is the high cost of land, the Work Group quickly seized upon the notion of a "land trust."

"A community land trust is an organization created to hold land for the benefit of a community and of individuals within the community. It is a democratically structured nonprofit corporation, with an open membership. The board typically includes residents of the trust-owned lands, other community residents, and public-interest representatives. Board members are elected for limited terms, so that the community retains ultimate control of the organization and the land it owns.

The CLT acquires land through purchase or donation with an intention to retain title in perpetuity, thus removing the land from the speculative market. Appropriate uses for the land are determined, in a process comparable to public planning or zoning processes, and the land is then leased to individuals, families, cooperatives, community organizations, businesses, or for public purposes."

- Source: [The Community Land Trust Handbook](#)

There are many models for such a concept across the nation. We believe that a community land trust may be an extremely valuable and supportive means to create and maintain long-term community housing affordability.

We believe this is one of our most important recommendations, and suggest substantial effort be spent in determining what form of trust might best fit with this community. A better understanding of the potential application and participation in a land trust needs to be achieved, in order to develop a more detailed recommendation to the Board.

Land and Rezoning

Identify government owned lands that could be used to produce more community housing.
Key Issue: Resources

Timeframe: Status report to the Board by September 30, 2004.

Correctly designated and zoned land, particularly in the urban service area, is a fundamental need for fulfilling the objectives of smart growth, and in turn, increasing the supply of community housing.

Consideration should be given to engage local governments in a discussion about the utilization of any excess or under-utilized government owned land for the purpose of developing community housing. This would be an investigatory effort, but potentially could lead to:

- A request for proposal for development, contingent upon delivering an increased supply of community housing; or
- A decision to contribute government owned land to a community land trust, or other nonprofit corporation, who is ready and able to fulfill a common goal regarding community housing.



Initiate government led re-zonings for properties whose development or redevelopment will support smart growth principles and address community housing needs.
Key Issue: Resources

Timeframe: Status report to the Board by September 30, 2004.

Separately, we discussed the time and cost associated with a privately initiated rezoning of land to a more suitable use for community housing. Traditionally these rezones take a substantial amount of time, add costs to the price of the housing units, and sometimes struggle with NIMBY issues.

Consideration should be given to identifying those sites that have the potential of being most supportive of smart growth principles, inquiring of owner interest in rezoning for the purpose of delivering community housing, and examine the policies and operating issues associated with government led rezoning of the parcel(s).

A key issue to be considered includes tying the County's participation in the rezoning effort to the owner's commitment to deliver and/or maintain community housing.



Housing Trust Fund

Establish a housing trust fund and identify sources of funding.
Key Issue Addressed: Resources

Timeframe: Status report to the Board on the viability and form by September 30, 2004.

The ability to leverage dollars to support community housing provides critical flexibility. Funds may be used to provide government contribution in a competitive application process, to offset impact fees, to address neighborhood concerns, or to entice the kind of development the Board desires.

The existence of a trust fund could also encourage private contributions and result in the private/public partnership the Community Housing Work Group recognizes is necessary.

The three key areas that need careful examination when introducing the idea of a community housing trust fund are:

1. How will the trust fund be administered?
2. What programs will the trust fund support?
3. How will the trust fund be funded?

“Housing trust funds are powerful tools for providing locally targeted and managed assistance for affordable housing. The Center for Community Change (CCC), a non-profit organization that tracks affordable housing trust funds, reports that as of February 2002 there are at least 257 housing trust funds in the United States, 36 at the state level and the rest established by cities and counties. According to CCC, more than \$500 million is spent for affordable housing through these trust funds every year and the amount is increasing. On average, says CCC, for every \$1 committed to a housing project by a housing trust fund, another \$5 to \$10 is leveraged in other public and private resources.

“Affordable” housing trust funds are used to finance a variety of housing programs, including construction of single family or multi-family affordable housing, rehabilitation of existing units, rental assistance, home purchase assistance, and other activities targeted to low and moderate-income households.”

Source: Stacey H. Davis, President and CEO, Fannie Mae Foundation, [Housing Trust Funds for Local Governments in Georgia](#)

How will the trust fund be administered?

What programs will the trust fund support?

How will the trust fund be funded?



Housing Trust Fund (cont.)

The administration of a housing trust fund has three different models:

- Government Agency Model
- “Independent” Commission Model
- Non-Governmental Model

“Government Agency Model.

Here the trust fund is established as a program of the jurisdiction within which it is operating. The fund is typically housed in the agency or department with the most experience operating housing programs, such as the HOME program or the Community Development Block Grant (CDBG) program. Other options include a quasipublic body such as a housing or redevelopment authority or a state housing finance agency. If public funds are committed to the fund, it is unlikely that a non-government entity will be allowed to administer these funds. The vast majority of housing trust funds follow the government model. This model often includes an oversight board. Such housing trust funds may or may not be incorporated.

“Independent” Commission

Model. In a few instances, housing trust funds have been administered by new commissions with specific authority over the newly created trust funds. The commission is typically appointed by an elected body and hires its own staff. These funds are essentially government or quasi-government programs. This model has been used chiefly where there is not an existing department or agency to undertake a housing trust fund. This could be because the fund will operate across existing jurisdictional boundaries, or because it has a mission beyond what any existing entity has the capacity or authority to handle.

Non-Governmental Model. A few trust funds have been established through government action but are administered by an outside nonprofit entity such as a community foundation. They may create a distinct board to oversee the fund's operations and will usually hire staff to run it. Community foundations have been selected because of their fiscal capability and because they can encourage additional contributions such as corporate investments. Other administrative options include hybrids of these three models. Regional housing trust funds may be a possibility, but they may require a new oversight or administering entity. Another possible structure is similar to a housing partnership, with a nonprofit administering the funds while maintaining ties to the government.”

- Source: [A Workbook for Creating a Housing Trust Fund](#), Center for Community Change

New Board Committee



**Establish a permanent
Community Housing Committee in support of
community housing goals.**

Key Issues: Resources and Resistance

**Timeframe: Status report to the Board by
September 30, 2004.**

The goal is to keep community housing at a high level of public discussion, and ensure a fully integrated macro focus is maintained. Unless housing issues are continuously integrated in the breadth of community dialogue, from economic development and jobs, to smart growth and transportation nodes — our community runs the clear risk of not being able to provide housing affordable to a large segment of Sarasota.

It is acknowledged that the Community Development Advisory Committee (CDAC) makes recommendations to the Board on issues related to financial assistance needs of the low to moderate income families and individuals, as well as efforts to increase the affordable housing stock. The Work Group is confident that any future Board committee and the CDAC will find broad areas in which to share information, cooperate, and make joint recommendations to benefit Sarasota County.

The Community Housing Work Group will continue to meet periodically, as requested by Administration, to support the development of more detailed reports due to the Board on September 30, 2004. As part of any on-going effort, we are ready and willing to contribute to the development of a Community Housing Committee structure, charter and membership.

There is still much work to be done, including establishing clear and definable goals for the development of additional community housing, based upon data, and then establishing an annual assessment of our progress.



Program of Incentives

Codify incentives, direct and indirect, that will increase the supply of community housing.

Key Issue: Regulations

Timeframe: Status report to the Board by September 30, 2004.

“Without external intervention, traditional private housing developers are not well positioned to increase the supply of low-cost housing. In our market-based economic system, private housing development enterprises are in business for the primary purpose of earning a profit. “

- Source: [Innovative Ways to Provide Affordable Housing in Michigan](#)

Recognizing that the private sector has an interest in providing housing for individuals and families of diverse income levels, provided it is economically feasible, we discussed a range of incentives, or methods, to increase the stock of housing.

Throughout the course of our six meetings, the Community Housing Work Group discussed unit credits, impact fee “waivers,” inclusionary zoning, linkage fees, manufactured housing, tax abatement strategies, additional zoning, construction code changes, streamlined permitting, and other ideas. We also discussed the differences between rental and owner occupied housing and recognize that rental housing requires incentive considerations distinct from owner occupied housing.

Incentives come in many forms and have different costs and values attached. Some, such as unit credits have indirect costs associated with them while others, such as impact fee credits, resemble subsidies, and have direct financial costs. The following are incentives recognized nationwide as having the greatest potential to increase the affordability of community housing.

UNIT CREDITS, sometimes referred to as density bonuses, have significant potential to increase the stock of community housing. Smart Growth principles and the foundation for The Sarasota 2050 Plan recognize that density in the right form enhances affordability and the environmental,

social and economic sustainability of a community. The Community Housing Work Group recommends that an aggressive incentive program be created that allows the private and non-profit developer to provide housing for all income levels while at the same time earning a realistic return. Unit credits should vary based on the range of income levels for which the housing is provided and the extent to which smart growth principles are incorporated into the development.

INCLUSIONARY HOUSING is a land use ordinance that assists a local government in meeting its legal responsibilities under the housing element. It requires developers of multiple market rate units to include some percentage of affordable, lower-cost units, usually from five to twenty five percent, within their developments. The Village Resource Management Area (RMA) in Sarasota 2050 Plan has an inclusionary housing policy requiring that 15 percent of the housing be affordable. The other RMAs do not have a specific policy, and we recommend that a comprehensive inclusionary housing ordinance be thoroughly examined and a policy crafted for the Board to consider. Debate, dissent and devotion to this issue is anticipated. The Board should encourage the Work Group's continued conversation, and with the expertise of staff, bring forward a recommended ordinance.

IMPACT FEE CREDITS have the potential to reduce the cost of housing by over \$10,000 per unit. The Board recently adopted an impact fee for the School Board that waives fees for housing \$145,000 or less. It is recommended that county impact fees be reduced on a graduated scale for community housing provided to households with incomes 120% or less of the Area Median Income (AMI). It is recognized that impact fees must be paid and it is anticipated that the Housing Trust Fund is a potential source.



Program of Incentives

Codify incentives, direct and indirect, that will increase the supply of community housing.
Key Issue: Regulations

Timeframe: Status report to the Board by September 30, 2004.

GOVERNMENT INITIATED REZONINGS were introduced as an issue on page nine of this report. This type of rezoning has proven to be effective in encouraging the development of community housing by the private sector. The Housing Advocate should be given authority to research opportunities for rezoning that have the potential to provide income sensitive housing based on smart growth principles and to bring these recommendations to the Board.

The Work Group believes many land use decisions affect the potential stock of income-sensitive housing and should be analyzed for such impacts. The Board's decision to change a multi-family designation to commercial, for example, may be valid on its own merits but would reduce the opportunity for community housing to be built. We believe staff should be encouraged and empowered to look at every land use decision for its impact on potential housing stock, and to advise the County Commission accordingly.

LINKAGE FEES can be used as a complement to an inclusionary housing ordinance. Linkage fees are a means by which local governments collect monies from non-residential developments which are placed in a housing trust fund, financially supporting the development of housing. Linkage fees are a recognition that commercial, industrial and upper end residential construction all increase the need for employment of workers who will be in need of housing within the community.

Generally a linkage fee is collected as a certain monetary amount multiplied by the square footage permitted. It is not a tax; it is a regulatory fee similar to an impact fee. We recommend the thorough examination of a linkage fee ordinance with a recommendation to be included in the status report scheduled for September 30, 2004.

OTHER INCENTIVES AND SPECIAL ZONING

ORDINANCES that have the potential for increasing the supply of community housing, including the use of overlay districts that incorporate smart growth principles, should be continuously examined and considered for adoption. We strongly encourage the BCC to examine the creation of zoning that goes beyond past discussions of accessory dwelling units, and consider duplex, triplex, and quadplex properties in areas zoned single-family. Potentially this issue is a matter of acceptable form, versus measurable or recognized increases in density.

SUSTAINING THE SUPPLY of community housing is a complex issue. Achieving a balance between the public interest and the ability of an individual to realize some appreciating value from home ownership is somewhat elusive.

We concluded that the extent of the incentives provided should be the basis for regulations governing the preservation of affordability.

- Incentives with associated indirect costs such as unit credits should require household income restrictions at the initial sale. Rentals should require the same income restrictions and be maintained for a number of years, yet to be determined.
- Incentives such as impact fee credits or use of land trust assets should require some retention of public interest or payment in lieu.

The Community Housing Work Group recommends that a matrix be developed and presented to the Board for consideration. The matrix should weigh the value of the incentive against retention requirements and ownership of appreciated value. This should be presented as part of status report proposed for the end of September.



Rehabilitation Policy Changes (OHCD)

**Change policies relating to owner-occupied
housing rehabilitation program.
Key Issue: Regulation**

Timeframe: As soon as possible

The Office of Housing and Community Development made several recommendations to the Community Housing Work Group in an effort to make the existing rehabilitation program more effective and easier to use by citizens in desperate need of housing repair, particularly emergency repair. The Work Group urges the Board to adopt these policy recommendations.

In matters of rehabilitation, the Work Group noted the urgent need to deal with “mold issues,” and to prioritize repair efforts and dollars wherever moisture is penetrating the affected building.

Proposed policy changes:

1. Rehabilitation Cost — Increase the maximum amount allowable for rehabilitation work required to bring the property into compliance with local housing code and rehabilitation standards from \$40,000 to \$50,000.
2. Emergency Assistance — Create an Emergency Conditions component of the Rehabilitation Program that would be available to homeowners below 80 percent of the household average median income to correct conditions involving major systems — electrical, plumbing, roofing, heating and air conditioning — that present an immediate threat to the health or safety of the occupants. Applicants for Emergency Conditions assistance will receive processing priority.
3. Forgivable Subsidy — Financial assistance to all Rehabilitation Program participants (including emergency assistance recipients) undertaking required repairs to any of the major systems identified above would be provided in the form of a 10-year deferred payment loan to be forgiven at the rate of 10 percent annually until satisfied, or the property is transferred, or no longer occupied as the primary residence of the applicant. The maximum amount that could be provided under this formula would be \$8,500. All other costs of rehabilitation would continue to be provided as a zero percent 30-year deferred payment loan. No lien would be recorded for emergency assistance of \$3,000 or less.
4. Eligible Repair Costs — The only costs allowable under a Rehabilitation Program loan would be (1) those required to correct major system deficiencies, as described above; (2) those required to bring the property into compliance with the local housing code and the program's rehabilitation standards; and (3) limited general property improvements that are directly related to health and safety or preventative in nature.
5. Property Insurance — The requirement that property hazard insurance be provided by the applicant in order to receive assistance would be eliminated, although owners would be encouraged to obtain and maintain coverage.

Permitting Flexibility

Seek adaptability and flexibility in regulations that govern new construction and rehabilitation of housing.

Key Issue: Regulations

Timeframe: Status report to the Board by September 30, 2004.

"Public policies impact housing costs in several important ways. Navigating complex bureaucracies to comply with regulations and obtain necessary permits can increase the time, complexity and financial cost of a housing development project. The number of steps a developer must take is often significantly higher when working with an established urban community than in previously undeveloped "greenfield" sites. Local building codes, whether for new construction or rehabilitation projects, can also drive up the time and cost of housing development. In particular, the code requirements for rehabilitation work can result in higher costs or costs that are difficult to predict, factors that may prevent the undertaking of otherwise sound projects."

- [Innovative Ways to Provide Affordable Housing In Urban Michigan](#)

It is recognized that permitting, although oftentimes encountered as a system of bureaucratic entanglements, serves the public policy of protecting the lives and property of our citizens. At issue is whether the regulations limit the potential of developing housing that is affordable.

The Community Housing Work Group recommends that a thorough examination of permitting processes, costs, and code requirements be conducted. From the findings of the examination, a system of permitting for community housing developments should be created that minimizes time and costs, and that eliminates "unnecessary" code requirements.

The Work Group is not suggesting that community housing be EXEMPT from regulatory requirements, but rather that reasonable interpretation of rules may encourage flexibility and therefore the development of community housing.





The Community Housing Work Group

In slightly over two months, we met six times, totaling approximately 24 hours. We brought to the table a diversity of passion, interest and intellect. Our debate was wide-ranging and honest. We value the opportunity to participate in this important discussion and to deliver these actions to the Board of County Commissioners. We are willing, collectively and individually, to continue to work in support of community housing objectives.

This document is our best effort to provide the Sarasota Board of County Commissioners with actionable recommendations to address our community problem. We recognize the Board has many public policy pressures to balance, but ask for serious consideration of this work product.

Members

Brad Baker
John Cox
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Jody Hudgins
Donald O'Connell
Todd Pokrywa
Michael Raposa
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Renee Snyder
Sandra Terry
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Staff Participants

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Hugh Henkel
Scott Pickett
Vivian Roe
Susan Scott, sponsor
Dennis Wilkison

Steve Seibert, facilitator
Jaimie Ross, guest

“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 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, it will be cost burdened and not have enough money left over to pay for items such as utilities, transportation, food, clothing, and healthcare.”

- Source: Creating Inclusive Communities in Florida, Florida Housing Coalition

