

TREASURE COAST REGIONAL PLANNING COUNCIL

MEMORANDUM

To: Council Members AGENDA ITEM 9  
From: Staff  
Date: September 15, 2006 Council Meeting  
Subject: Affordable Housing Legislation – House Bill 1363 Synopsis

Introduction

On June 1, 2006 the Governor signed into law an omnibus housing bill (HB 1363), which became effective July 1, 2006. The act addresses a number of housing issues from land use to innovative financing programs and strategies. It provides for disposition of county property, municipal property, and state lands for affordable housing; increases the number of dwelling units in a development of regional impact if a certain percentage of workforce housing units are provided; authorizes district school boards to provide affordable housing for teachers and other district personnel; creates the Community Workforce Housing Innovation Pilot Program; and other initiatives.

This staff report provides a synopsis of the major areas of the bill, discusses the potential effects of act implementation on local government and outlines the potential role the Regional Planning Council can play.

Background

Early in the 2006 legislative session more than a dozen housing bills were filed. By the end of session, much of the envisioned housing legislation culminated in the omnibus bill, HB 1363, sponsored by Representative Mike Davis with its Senate counterpart, SB 322 (Bennett). Originally, HB 1363 had contained language to “scrap the cap,” referring to the funding cap adopted by the legislature last year on the state and local housing trust funds. However, that provision was removed from the bill. The cap will go into effect in July 2007, and it will restrict the amount of collections into the trust fund to \$243 million. Currently, state and local housing trust funds hold an estimated \$940 million, of which \$507 million is left unappropriated. Table 1 below summarizes statewide affordable housing funding.

**Table 1**

<b>Programs*</b>	<b>Funding Level</b> (from State and Local Housing Trust Funds)
Total Available for Appropriation	\$940,000,000
Florida Housing (SAIL, HAP, PLP, Catalyst Training & Technical Assistance, & Guaranty Fund)	\$70,500,000
SHIP	\$166,400,000
SHIP Monitoring	\$200,000
Homeless	\$7,900,000
Hurricane Rental (RRLP)	\$92,900,000
Hurricane Farmworker & Special Housing	\$15,000,000
Hurricane Training & TA	\$100,000
CWHIP	\$50,000,000
Extremely Low Income (ELI)	\$30,000,000
<b>TOTAL APPROPRIATED</b>	<b>\$433,000,000</b>
<b>TRUST FUND MONIES NOT APPROPRIATED</b>	<b>\$507,000,000</b>

Source: Housing News Network, Volume 22, Number 2

**\*Glossary of Acronyms**

CWHIP	Community Workforce Housing Innovation Program
HAP	Home-Ownership Assistance Program
PLP	Pre-Development Loan Program
RRLP	Rental Recovery Loan Program
SAIL	State Apartment Incentive Loan Program
SHIP	State Housing Initiatives Partnership Program

**Housing Bill 1363 – Key Provisions**

Affordable Workforce Housing Defined

The bill provides a definition of “workforce housing” and essentially raises the income limit normally used in targeted affordable housing programs to 140 percent of area median income. The bill defines the term “affordable workforce housing” as housing that is affordable to a person who earns less than 120 percent of the area median income, or less than 140 percent of the area median income if located in a county in which the median purchase price for a single-family existing home exceeds the statewide median purchase price of a single-family existing home. For a family of four, for example, 140 percent of the state median income is \$76,720.

### Disposition of Local Government Property for Affordable Housing

Beginning July 1, 2007 and every three years thereafter, each local government (county and municipality) in Florida must prepare an inventory list of all real property it owns within its jurisdiction that is appropriate for use as affordable housing. Local governments have three options for the use of these properties:

1. The land may be offered for sale to generate funds to a local government to purchase land for affordable housing or the proceeds can be put into a local affordable housing trust fund; or
2. The land may be sold with a restriction that requires the development of the property as permanent affordable housing; or
3. The land may be donated to a nonprofit housing organization for the construction of permanent affordable housing.

### Special Districts / Employer-Assisted Housing

Any special district created under a special act or general law, including community development districts, fire control districts and water districts are authorized to provide housing and housing assistance for its employed personnel whose total annual household income does not exceed 140 percent of the area median income, adjusted for family size.

District school boards are also authorized to use portions of school sites not appropriate for educational purposes or land declared surplus by the board to provide sites for affordable housing for teachers and other district personnel.

### Developments of Regional Impact

Incentives are offered to existing and new developments of regional impact (DRI) to add residential capacity in exchange for additional affordable housing.

**Existing DRIs:** Generally, existing DRIs can now provide more dwelling units than previously approved without triggering a substantial deviation determination by providing workforce housing on site. The bill authorizes an increase in the number of dwelling units by 50 percent, or 200 units, whichever is greater, provided that 15 percent of the proposed additional dwelling units are dedicated to affordable workforce housing. The workforce housing must be subject to a recorded land use restriction for a period of at least 20 years that includes resale provisions to ensure long-term affordability for income-eligible homeowners and renters. The workforce housing units must commence prior to the completion of the market rate dwelling units.

**New DRIs:** DRI developments can build more dwelling units without triggering the DRI threshold if all the additional residential units are dedicated to affordable workforce housing and the total number of residential units does not exceed 200 percent of the substantial deviation threshold.

## Community Workforce Housing Innovation Pilot Program

This new program, authorized under HB 1363, and funded at \$50 million for fiscal year 2006-2007, is created to provide affordable rental and home ownership community workforce housing for essential services personnel affected by the high cost of housing, using regulatory incentives and state and local funds to promote local public-private partnerships and leverage government and private resources. The Florida Housing Finance Corporation will issue a Request for Proposal to expend the funds available in accordance with program parameters.

“Essential services personnel” are defined under the bill as persons in need of affordable housing who are employed in occupations or professions in which they are considered essential services personnel, as defined by each county and eligible municipality within its respective local housing assistance plan. Examples may include teachers, firefighters, police officers, emergency service providers and other job categories.

### SHIP Requirements

SHIP administrators statewide are now required to amend their respective local housing assistance plans to include a definition of essential services personnel for the county or eligible municipality, including, but not limited to, teachers and educators, other school district, community college, and university employees, police and fire personnel, health care personnel, skilled building trades personnel, and other job categories.

Additionally, all local governments are encouraged to develop a strategy within their local housing assistance plans that emphasize the recruitment and retention of essential service personnel. Each county and each eligible municipality is encouraged to develop a strategy within its local housing assistance plan that addresses the needs of persons who are deprived of affordable housing due to the closure of a mobile home park or the conversion of affordable rental units to condominiums.

### **Potential Effects on Local Government**

The proposed changes to Florida Statutes and the rulemaking yet to come from HB 1363 will have far-reaching effects on local government. Most notably, each local government will have to compile a comprehensive inventory of real property it owns that may be appropriate for affordable housing, decide what to do with it and take one of three options as previously listed. Larger communities with dedicated housing or community development personnel should be able to meet this mandate. Smaller communities, however, with limited planning or housing staff, will have to turn elsewhere to complete this mandate.

Local governments will also have to develop a strategy to help provide affordable housing opportunities for their essential service personnel. In some cases, this may require amendments to a local comprehensive plan. In other cases, it may require more work than envisioned for a local government. The Florida Chapter of the American

Planning Association suggests that “communities will be required to think about ways to augment financing programs with land use and other strategies to ensure that a variety of housing types are available for their residents.”

### **Regional Planning Council Role**

Through its efforts to promote workforce housing in the Region, Council can play a significant role in assisting local governments in the implementation of HB 1363 in a number of ways. First, Council provides urban and town planning assistance throughout the Region. These efforts always incorporate affordable housing considerations. The Towns, Villages and Countryside amendments to the St. Lucie County Comprehensive Plan, which were recently adopted, is an example of a Council-led initiative to help ensure long-term provision of workforce housing for a wide income spectrum of residents. Second, through the DRI process Council takes into account impacts to affordable housing from DRIs and makes recommendations to the local government on how to mitigate these impacts through development order conditions. Third, Council staff works on a daily basis with special districts, school boards, community development corporations and nonprofit corporations on projects supporting community and economic development, transportation and overall livability. Staff encourages and supports public-private partnerships as the appropriate vehicle to implement many of these projects. Local governments could utilize the Regional Planning Council to help them conceptualize, fund and implement actionable workforce housing solutions for their residents.

### **Recommendation**

For informational purposes only.