



NORTHEAST FLORIDA REGIONAL COUNCIL



AFFORDABLE HOUSING NEEDS PLAN

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## INTRODUCTION

Northeast Florida has been focused on how it wants to grow since 300 leaders played “Reality Check” with Legos and yarn in 2009 and told the world where they wanted jobs and housing to be in 2060. Since that time, the Lego game was played in all seven counties in Northeast Florida and twice with young people from throughout the region, the region was polled regarding its preferences and the regional growth pattern of Multiple Growth Centers was chosen by a wide margin. This allows for job centers in each county, so that residents can choose to work close to home. First Coast Vision, the 2011 regional visioning effort that preceded the update to NEFRC’s Strategic Regional Policy Plan, imagined a future where a range of housing choices is available, affordable and works for all of our residents. The Strategic Regional Policy Plan (SRPP) incorporates the vision and includes the following Goal:

A safe, sanitary, efficient and resilient housing supply that provides lifestyle choice (agricultural, rural, suburban, and urban) and affordable options for all income, age and ability groups, equitably placed in vibrant, viable and accessible communities throughout the region.

The SRPP also includes the need for an “Affordable Housing Needs Plan”, without defining the parameters of such a plan. This recognizes that regions must think through what they want to become, and then determine what they need to accomplish their goals. This Affordable Housing Needs Plan includes what the Ad Hoc Affordable Housing Committee of the Northeast Florida Regional Council believes is needed to achieve the affordable housing goal, what metrics will help us determine success, and how leadership will be provided to guide implementation. They began with a concern that affordable housing is a purely local issue, and ended with a focus on the regional gaps that may be filled to make it easier for localities to provide affordable housing. They address the range of affordable housing, as does the goal: “affordable options for all income, age and ability groups”, and so address the full spectrum of income levels, from extreme poverty to 120% of area median income. The affordable/available rental analysis included with the metrics at the end of this plan estimate that there is a deficit of more than 29,000 units regionally needed by households making up to 30% of average median income, more than 30,000 units needed for those making up to 50% of average median income and more than

17,000 units needed for those making up to 80% of average median income. Ultimately, the prosperity of the residents and businesses in Northeast Florida depends on overcoming challenges at both the local and regional level, and it is only in partnership that we will succeed.

### **ECONOMIC AND FISCAL BENEFITS TO THE COMMUNITY**

Affordable housing has short and long term benefits that are often overlooked or misunderstood. According to the Planning Commissioners Journal in 2011<sup>1</sup>, not only are there short term benefits of building or rehabilitation affordable units as seen in the building construction field, but they estimate 100 affordable units will generate 120 jobs during the construction phase. The misunderstanding comes in with units once they are occupied. Those 100 units generate approximately 30 jobs, which is similar to the job generation of market rate units. According to a Chattanooga, Tennessee example cited in The Urban Land Institute's "Ten Principles for Developing Affordable Housing", affordable housing provides jobs, tax revenues and local business income well beyond a 1.65% multiplier to the affordable housing developer's direct investment<sup>2</sup>. Like market rate units, affordable units generate one-time revenue for local governments, in the form of permit, impact and utility fees. This factor provides an opportunity to support affordable housing without spending local government funds, as waiving of such fees can be an option in the "tool box" of local governments. Another area of misunderstanding is the effect of affordable housing on nearby property values. Affordable housing that is well designed, built, managed and maintained is most likely to have a neutral or positive impact on nearby property values. Affordable development in areas that are "taking off" or "revitalizing" are positive factors that add to and speed up overall success. Another misunderstanding is that affordable housing costs communities more money than market rate housing because lower income families tend to have more children, and this costs money for schools. Overall, the average number of children per household has

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<sup>1</sup> Cohen, Rebecca and Wardrip, Keith, *The Economic and Fiscal Benefits of Affordable Housing*, Planning Commissioner Journal Number 83 Summer 2011

<sup>2</sup> Bach, Alexa, Prema Katari Gupta, Richard, Haughey, George Kelly, Michael Pawlukiewicz, and Michael Pitchford, *Ten Principles for Developing Affordable Housing*. Washington, D.C.:ULI—the Urban Land Institute, 2007.

been falling for many years, and there is only a small difference in the number of children per household when comparing income levels. Affordable and moderate –income purchasers have a lower risk of delinquency and foreclosure than buyers with prime or sub-prime loans. In addition, taking advantage of homes in foreclosure for affordable housing programs saves communities costs in maintenance, and also reduces the risk that nearby homes will experience loss in property value, and local governments in tax revenue, that occur when vacancies exist near occupied homes.

### **ECONOMIC AND FISCAL BENEFITS TO THE BUSINESS SECTOR**

The cited Planning Commissioners Journal article further notes that in a national survey of 300 companies, 55% of the largest respondents cited an insufficient level of affordable housing in their proximity, and 2/3rds of the same respondents believed that the shortage negatively affected their ability to hold onto qualified employees. From this perspective, lack of affordable housing becomes a competitive disadvantage for Northeast Florida. Living in affordable housing also increases the residual income that those households have to spend, and this increased buying power allows businesses to gain additional business.

### **GOAL AND MEASURES OF SUCCESS**

Overarching Regional Goal: A safe, sanitary, efficient and resilient housing supply that provides lifestyle choice (agricultural, rural, suburban, and urban) and affordable options for all income, age and ability groups, equitably placed in vibrant, viable and accessible communities throughout the region.

## MEASURES OF SUCCESS

### We will know if we are succeeding if:

- Each County positively impacts ALICE households

ALICE stands for Asset Limited, Income Constrained, Employed. It is a metric created and measured by the United Way, and is a way for Florida Counties to consider the number of households that struggle to afford basic needs. The percentage of households below the ALICE threshold in Northeast Florida varies from a high of 52% in Putnam County to a low of 28% in St. Johns County. This number is not a fair measure of affordable housing, as it may simply be a measure of wealth. More useful indicators are the Housing portion of the monthly Household Survival Budget, which ranges between \$644 for a family (2 adults, one infant and one preschooler) in Putnam County and \$935 in Flagler County. Counties may also positively impact ALICE households by reducing the monthly costs within a survival budget associated with child care, food, transportation, health care or taxes, and changes to these will be noted. In addition, ALICE provides the housing burden of homeowners and renters, or the % of those who pay more than 30% of their income for their housing costs. This homeownership metric varies from a low of 22% in Baker and Putnam Counties, and a high of 29% in Flagler County. The renter metric varies between a low of 45% in Clay and Nassau Counties, and a high of 59% in Putnam County. As each of these metrics may change based on factors beyond simply the number of affordable housing units, each will be reported as a metric of this plan each time the ALICE report is updated. The relevant data plus an excerpt from the 2017 Update to the Florida ALICE Report from the United Way is included in the Appendix.

- Each County reduces homelessness

The metric for homelessness is always subject to question, as there is no easy way to count the homeless and individual circumstances change. It is, however, the ultimate measure of success in providing affordable housing, even if it touches on many other issues beyond just the availability and affordability of units. Northeast Florida will combine the annual count of homeless citizens by County

(Baker County does not participate in the count) plus the estimated number of homeless households determined by the Florida Department of Education Homeless Student Data, and the Unaccompanied Homeless Youth Data included in that report. The relevant data plus the source data is included in the Appendix.

- Each County increases the number of affordable units from local strategies

Each County and Local Government is asked to identify a strategy or set of strategies that they want the region to track to assess their increases in affordable units. A baseline will be developed from an initial survey provided to each local government after approval of this plan, and the number of units produced will be tracked annually, again by survey, thereafter.

## **REGIONAL AFFORDABLE HOUSING STRATEGIES**

### **Training**

NEFRC will convene social service planners and land use planners to discuss how they impact each other's activities and can share data.

NEFRC will assemble bankers, developers and other experts to teach about pro formas. The audience will be social service and land use planners as well as non-profit housing providers.

NEFRC will coordinate with developers on assembly of a developer's packet. It will contain a synopsis of this plan, a list of lenders and programs from the clearinghouse, and sample pro formas for affordable housing.

NEFRC will reach out to appraisers on the value of energy efficiency/resiliency/accessibility. The goal is recognition of the value of these building attributes when appraising affordable housing.

### Clearinghouse

NEFRC will conduct an annual survey of what services banks are providing, where, and what kind of deals they are looking for in the Northeast Florida market. Results will be posted on a matrix available online.

NEFRC will provide a way to communicate such as a contact list or a list serve to share opportunities for investment with banks, and banks interests with communities and providers. NEFRC will also provide a way for communities and NFPs to ask banks for what they need, such as training, expertise, or funding.

NEFRC will coordinate with banks on a tour of projects that may serve as models for communities in Northeast Florida.

### Partnerships

NEFRC will work with banks to ensure they know where funding is needed in support of affordable housing.

NEFRC will increase its familiarity with the Florida Community Loan Fund, and will explore the possibility of making Federal Home Loan Bank programs available to the entire region, by potentially partnering with the Housing Finance Authorities in Clay or Duval Counties or creating other authorities.

NEFRC will launch this plan by reaching out to partners. To build a constituency for Affordable Housing, the Urban Land Institute, the Northeast Florida Association of Realtors ULI, and the Northeast Florida Builders Association will be contacted and asked to convene stakeholders.

Once the strategies above are underway, NEFRC will convene interested parties to consider an Opportunity Bond and the structure and programs to implement it, or other regional approaches to funding.

### Create More Affordable Units

NEFRC will share lessons learned and best practices related to land banking and land donation programs, including St. Johns County's experience in West Augustine and Duval County's experience with the land donation program.



NEFRC will ask each community to have its own strategy to address its needs. These may include density bonuses, inclusionary requirements, waiving fees, alternative infrastructure requirements, encouragement of affordable housing types (accessory units, co-habitation, etc.), funding, etc.

### Regional Strategy

NEFRC will begin to implement this Affordable Housing Needs Plan immediately. With the benefit of experience and lessons learned from the Needs Plan, but before the next update to the Strategic Regional Policy Plan (SRPP), NEFRC will convene all of its counties to discuss how their policies and strategies relate to each other. This will include an update on regional transit initiatives. The results of this discussion may be reflected in the Housing and other elements of the next SRPP.

### Champion

NEFRC will consider how the region might hire a regional Affordable Housing champion.

## Appendix

### The Need: Metrics related to Affordable Housing in Northeast Florida

#### ALICE

County	Housing Portion of Monthly Household Survival Budget (Family)	Percent of Homeowners who Pay More than 30% of their Income on Housing Costs	Percent of Renters who Pay More than 30% of their Income on Housing Costs
Baker	\$728	22%	53%
Clay	\$931	20%	45%
Duval	\$931	26%	52%
Flagler	\$935	29%	47%
Nassau	\$931	26%	45%
Putnam	\$644	22%	59%
St. Johns	\$931	25%	50%

## Affordable/Available Rental Analysis

A	Renters 0-30% AMI		Affordable @ 30% AMI		Affordable/Available @ 30% AMI			Affordable, Not Available @ 30% AMI		
	B	C	D	E	F	G	H	I		
Place	Renter Households	Affordable Units	Absolute Difference Between Renters and Affordable Units (C-B)	Affordable Units per 100 Renter Households (C/(B/100))	Affordable & Available Units	Absolute Difference Between Renters and Affordable & Available Units (F-B)	Affordable & Available Units per 100 Renter Households (F/(B/100))	Affordable Units Occupied by Higher Income Households (C-F)		
Baker County	625	560	65	90	260	(365)	42	300		
Clay County	2,220	1,360	860	61	340	(1,880)	15	1,020		
Duval County	29,945	13,560	16,385	45	7,925	(22,020)	26	5,635		
Flagler County	1,135	630	505	56	125	(1,010)	11	505		
Nassau County	1,290	1,125	165	87	665	(625)	52	460		
Putnam County	1,755	1,264	491	72	574	(1,181)	33	690		
St. Johns County	2,895	1,730	1,165	60	560	(2,335)	19	1,170		
Region	39,865	20,229	19,636	51	10,449	(29,416)	26	9,780		

A	Renters 0-50% AMI		Affordable @ 50% AMI		Affordable/Available @ 50% AMI			Affordable, Not Available @ 50% AMI		
	B	C	D	E	F	G	H	I		
Place	Renter Households	Affordable Units	Absolute Difference Between Renters and Affordable Units (C-B)	Affordable Units per 100 Renter Households (C/(B/100))	Affordable & Available Units	Absolute Difference Between Renters and Affordable & Available Units (F-B)	Affordable & Available Units per 100 Renter Households (F/(B/100))	Affordable Units Occupied by Higher Income Households (C-F)		
Baker County	914	1,045	131	114	915	1	100	130		
Clay County	4,890	3,380	(1,510)	69	2,735	(2,155)	56	645		
Duval County	51,815	34,045	(17,770)	66	29,150	(22,665)	56	4,895		
Flagler County	2,175	1,045	(1,130)	48	845	(1,330)	39	200		
Nassau County	2,345	2,225	(120)	95	1,930	(415)	82	295		
Putnam County	3,280	2,794	(486)	85	2,138	(1,142)	65	656		
St. Johns County	5,515	3,190	(2,325)	58	2,670	(2,845)	48	520		
Region	70,934	47,724	(23,210)	67	40,383	(30,551)	57	7,341		

A	Renters 0-80% AMI		Affordable @ 80% AMI		Affordable/Available @ 80% AMI			Affordable, Not Available @ 80% AMI		
	B	C	D	E	F	G	H	I		
Place	Renter Households	Affordable Units	Absolute Difference Between Renters and Affordable Units (C-B)	Affordable Units per 100 Renter Households (C/(B/100))	Affordable & Available Units	Absolute Difference Between Renters and Affordable & Available Units (F-B)	Affordable & Available Units per 100 Renter Households (F/(B/100))	Affordable Units Occupied by Higher Income Households (C-F)		
Baker County	1,174	1,895	721	161	1,529	355	130	366		
Clay County	8,345	13,480	5,135	162	6,775	(1,570)	81	6,705		
Duval County	80,575	110,700	30,125	137	67,610	(12,965)	84	43,090		
Flagler County	3,590	4,870	1,280	136	2,240	(1,350)	62	2,630		
Nassau County	3,535	4,960	1,425	140	4,065	530	115	895		
Putnam County	4,715	5,804	1,089	123	4,803	88	102	1,001		
St. Johns County	9,290	12,560	3,270	135	7,170	(2,120)	77	5,390		
Region	111,224	154,269	43,045	139	94,192	(17,032)	85	60,077		

### Homelessness

County	2015 Homeless Count (*Baker County does not participate)	UF Calculations based on FDOE FY 14/15 Data: Estimated Family Households	UF Calculations based on FDOE FY 14/15 Data: Unaccompanied Youth	Total
Baker		43	9	52*
Clay	147	471	100	718
Duval	1,566	802	170	2,538
Flagler	105	266	57	428
Nassau	140	199	42	381
Putnam	26	272	58	356
St. Johns	1,161	320	68	1,549

### SHIP Program Investment and Households/Individuals Served

County (last completed SHIP Year)	Purchase Assistance	New Construction/ Reconstruction	Rehabilitation Owner/Rental	Emergency Repairs	Disaster Repair/ Mitigation	Special Needs/Non Profit (Clay only)	Security Deposits Utility Fees	Foreclosure Prevention	Rapid Rehousing	Rental Housing Development
Baker (13/14)		1/\$65,000	1/\$11,331	4/\$34,335						
Clay										
Duval										
Flagler (14/15)	16/\$309,375		6/\$145,161					2/\$4,990		
Nassau										
Putnam (13/14)	3/\$67,588		9/\$159,636	14/\$148,677						
St. Johns (14/15)			31/\$681,817							15/\$170,000