Affordable Housing: Current Conditions and Next Steps

May 14, 2019

Presented by:
Ralph Stone, Director, Housing Finance & Community Redevelopment Division (HFCRD), Executive Director, Housing Finance Authority of Broward County
PRESENTATION OVERVIEW

1. Existing conditions
2. Needs
3. Resources
4. Next steps
EXISTING CONDITIONS

• 12.7% of all households can afford median price home $355,000
• 147,331 Cost Burdened Renters
• 77,677 Severely Cost Burdened Renters
• 54% of all workers are employed in low wage service sector occupations
  • Earn 40–60% of County’s Area Median Income (AMI) $68,600
• 89,969 new jobs projected in the next eight years; most will be in service sector occupations
• 10,000 Baby Boomers retire daily for next 15 years; 75% have less than $30,00 in savings*
• Broward County Last, and only County in State with less than 25 affordable units for every 100 residents at 60% AMI**

Source: Broward Housing Needs Assessment, 2018
*American Association of Retired People
**Florida Housing Finance Corporation
NEEDS
LEGACY UNIT DEMAND

- 147,313 Cost Burdened Households
- 77,677 Severely Cost Burdened Households
- 120,843 Physical Unit Shortage

FUTURE UNIT DEMAND

- 45,000 units based on 50% of 90,000 new Broward jobs in the next 8 years
- Affordable housing units being lost faster than replacement*

Source: Broward Housing Needs Assessment, 2018
*Florida Housing Finance Corporation (FHFC)

**HUD defines cost-burdened families** as those “who pay more than 30 percent of their income for housing” and “may have difficulty affording necessities such as food, clothing, transportation, and medical care.” Severe rent **burden** is **defined** as paying more than 50 percent of one’s income on rent. [https://www.hud.gov/program_offices/comm_planning/affordablehousing/](https://www.hud.gov/program_offices/comm_planning/affordablehousing/)
CURRENT ANNUAL UNIT PRODUCTION

300  units  State/Federal Grants

250  units  Estimated Florida Housing Finance Corporation (FHFC) deals per year

155  units  Housing Finance Authority (HFA) Mortgage Credit Certificate (MCC) Program

150  units  Estimated HFA deals

150  units  Estimate $5m General Fund Allocation

50  units  Misc. non-profits, foundations, city development requirements

Total units: 1,055

*208 units would be added if State Housing Initiative Partnership (SHIP) Program was fully Funded
RESOURCES

Federal Funding = At Risk each year

State Funding = Massive Funding Sweeps Persist

General Fund = Annual Budget Decisions

Housing Finance Authority = Federal Tax Credit Allocation
Recurring County/City Federal/State Resources

CDBG | HOME | SHIP
---|---|---

**County and City**

FY 08
$38 million

FY 19
$21.1 million

**County Only**

FY 08
$11.8 million

FY 19
$6.63 million
$5 MILLION PER YEAR GENERAL FUND
(Three Year Commitment FY 18–20)

- TOTAL GAP FINANCING TO DATE: $11 MILLION
- FIVE (5) APPROVED PROJECTS: 613 UNITS
  - 8th Avenue Commons, Hallandale Beach (New Construction – 200 units)
  - Regency Gardens Apts., Pompano Beach (Preservation – 94 Units)
  - Marquis Apts., Pompano Beach (New Construction – 99 Units)
  - Saratoga Crossings Senior Complex, Dania Beach (New Construction – 172 Units)
  - Equality Park, Wilton Manors (New Construction – 48 Units)
- LEVERAGED VALUE ($200k X 613 units): $122.6 MILLION
- GAP Per Unit $17,945
## Donor County

<table>
<thead>
<tr>
<th>DOCUMENTARY STAMP TAX COLLECTIONS AND DISTRIBUTION*</th>
<th>FY 10-11</th>
<th>FY 11-12</th>
<th>FY 12-13</th>
<th>FY 13-14</th>
<th>FY 14-15</th>
<th>FY 15-16</th>
<th>FY 16-17</th>
<th>FY 17-18</th>
<th>FY 18-19</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broward County $ Contribution</td>
<td>17,436,985</td>
<td>18,409,413</td>
<td>23,331,714</td>
<td>25,987,472</td>
<td>30,747,319</td>
<td>33,810,403</td>
<td>33,761,298</td>
<td>33,950,485</td>
<td>35,895,085</td>
<td>253,330,174</td>
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<td>Contributions Not Returned</td>
<td>15,739,200</td>
<td>16,434,128</td>
<td>20,509,901</td>
<td>9,010,834</td>
<td>19,405,027</td>
<td>6,528,908</td>
<td>19,635,613</td>
<td>21,289,677</td>
<td>N/A</td>
<td>128,553,288</td>
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* Office of Economic & Demographic Research Revenue Estimating Data Less Tax Collections by County

Broward consistently approx. 10% of total state collections
TOTAL ACTIVE RENTAL UNITS FINANCED BY FLORIDA HOUSING SINCE 1982

This map is shaded to display a by-county count of all the currently active rental units that have received an allocation of resources through Florida Housing's rental programs since 1982. These 194,121 units currently provide affordable housing or are in the construction pipeline. A majority of these units serve households earning 60% of area median income or less.

Orange
25,138

Miami-Dade
34,244

Broward
13,769

www.floridahousing.org/docs/.../thfc_annual-report_2016_082217_dwn-ld.pdf?...2
Policies

Existing
- Density Bonus
- Micro/Efficiency Units
- Impact Fee Waivers
- Land Use Plan (e.g. “Activity Centers”)
- Housing Trust Fund

Pending
- Redevelopment/Transit Oriented Development (TODs)/Mobility Hubs
- Land Use Policies
- Resolution formalizing a policy decision for utilizing expired Tax Increment Financing (TIF)/FY21, First Year Available

Evaluating
- Residential Inclusionary Program
- Linkage Fee (Residential and/or Non-Residential)
PROPOSED CRA TIF EXPIRATION
ANNUAL PROJECTED FUND AVAILABILITY
AFFORDABLE HOUSING/COUNTYWIDE REINVESTMENT PROGRAMS

<table>
<thead>
<tr>
<th>$ MILLIONS</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
<th>FY23</th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
<th>FY27</th>
<th>FY28</th>
<th>FY29</th>
<th>FY30</th>
<th>FY31</th>
<th>FY32</th>
<th>FY33</th>
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<tbody>
<tr>
<td>TOTAL TO BOCC</td>
<td>1.0</td>
<td>4.40</td>
<td>4.12</td>
<td>4.94</td>
<td>4.96</td>
<td>8.98</td>
<td>17.97</td>
<td>50.38</td>
<td>58</td>
<td>58</td>
<td>63.95</td>
<td>67.5</td>
<td>67.5</td>
<td></td>
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<tr>
<td>50% FOR AFFORDABLE HOUSING</td>
<td>0.5</td>
<td>2.2</td>
<td>2.06</td>
<td>2.47</td>
<td>2.98</td>
<td>2.46</td>
<td>4.49</td>
<td>25.19</td>
<td>29</td>
<td>29</td>
<td>31.98</td>
<td>33.75</td>
<td>33.75</td>
<td></td>
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<tr>
<td>50% TO COUNTYWIDE REINVESTMENT PROGRAM (CRP)</td>
<td>0.5</td>
<td>2.2</td>
<td>2.06</td>
<td>2.47</td>
<td>2.48</td>
<td>2.46</td>
<td>4.49</td>
<td>25.19</td>
<td>29</td>
<td>29</td>
<td>31.98</td>
<td>33.75</td>
<td>31.78</td>
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*Provided normal annual growth in County general revenues and expenses and no unanticipated costs shifts from the state or federal government*
NEXT STEPS

RESOURCES
• Sadowski Funding:
  • Continue lobby efforts
  • Evaluate Constitutional Amendment
• Additional Local Funding

POLICY
• Inclusionary Programs (may require cost mitigation by new state law)
• Linkage Fee
• Approve Redevelopment/Transit Oriented Development (TODs)/Mobility Hubs Land Use Policies
• Approve expiring TIF for Housing/Economic Development
• Expand use of General Fund Allocation to allow for Land Acquisition
Let's make affordable housing a reality not just a dream

Thank You

Broward County Board of County Commissioners
Mark D. Bogen • Beam Furr • Steve Geller • Lamar P. Fisher • Dale V.C. Holness • Nan H. Rich • Tim Ryan • Barbara Sharief • Michael Udine

www.broward.org