

**Board of County Commissioners
Leon County, Florida
and
Tallahassee City Commissioners**

**Joint Workshop on the
Final Report of the
Affordable Housing
Workgroup**

**Thursday
October 26, 2017
10:00 a.m. – 12:00 p.m.**

**City Hall
2nd Floor Commission Chambers**



Joint Workshop Item

October 26, 2017

SUBJECT/TITLE:	Final Report of the Tallahassee-Leon County Affordable Housing Workgroup
County Administrator / City Manager Approval:	Vincent S. Long, County Administrator Ricardo Fernandez, City Manager
Department Review:	Alan Rosenzweig, Deputy County Administrator Wanda Hunter, Assistant County Administrator Raoul Lavin, Assistant City Manager
Lead Staff:	Shington Lamy, Director, Office of Human Services & Community Partnerships Michael Parker, Director, City of Tallahassee Community Housing & Human Services

Statement of Issue:

This item presents the final report of the Tallahassee-Leon County Affordable Housing Workgroup's recommendations which includes staff's analysis, and highlights opportunities for greater collaboration among County and City governments and affordable housing stakeholders.

Fiscal Impact:

This item has a \$4.1 million fiscal impact. Funds are available through the Blue Print 2020 infrastructure sales tax extension revenues and the associated Orange Avenue/Meridian Placemaking project has been identified as a priority on the Community Enhancement, Connectivity and Quality of Life Blueprint 2020 Infrastructure Projects priority list.

Recommended Actions:

Option 1: Accept the Tallahassee-Leon County Affordable Housing Workgroup's final report (Attachment #1).

Option 2: Approve the following:

- Direct the County and City Housing staffs to hold a joint meeting of the AHACs at least once a year.
- Authorize staff to explore the viability of establishing an Affordable Housing Leadership Council in conjunction with select members of the Workgroup and United Partners for Human Services and provide a report to the County and City Commissions within 180 days.
- Authorize City staff to work collectively with County staff and the Housing Finance Authority of Leon County to explore partnership opportunities to address affordable housing needs.

- d. Direct County and City Departments, i.e. Public Works, Underground Utilities and Infrastructure, Blueprint and Planning, to include affordable housing as a criterion when prioritizing infrastructure projects.
- e. Direct staff to work with housing partners to evaluate design standards that could be applied countywide.
- f. Direct staff to assess the feasibility of using a Community Land Trust as an affordable housing funding strategy and provide recommendations to the County and City Commissions respectively.
- g. Direct staff to provide periodic status updates on the Orange Avenue Redevelopment Project.
- h. Continue to support the Blueprint IA prioritized funding of the Blueprint 2020 Orange Avenue/Meridian Placemaking Project within the first year of the collection of the one-cent infrastructure surtax to support the redevelopment of the community that surrounds the Orange Avenue Apartments.
- i. Direct staff to partner with affordable housing organizations and other entities that enhance a livable community and promote sustained homeownership in the neighborhoods surrounding the Orange Avenue Apartments.
- j. Provide a joint formal letter to the Tallahassee Housing Authority and request that they reserve a portion of its funding assistance dollars for permanent supportive housing clients, if available.
- k. Direct staff to work with utility providers to develop recommendations for addressing the problems associated with persons transitioning from homeless shelters to permanent housing, who have outstanding utility bills, and provide a report to the County and City Commissions, respectively.
- l. Direct the County and City staff to evaluate permanent funding sources for affordable housing.
- m. Direct staff to include the support of full funding of the Sadowski Act into the County and City's respective legislative priorities, with assistance from the Florida Association of Counties and the Florida League of Cities.

Report and Discussion

Background:

On October 27, 2016, the County and City Commission held a joint workshop on the affordable housing efforts in the community which included an overview of the County's and City's respective housing programs. At that time, County and City Commissions reaffirmed their commitment to promoting, preserving and expanding homeownership by maintaining the existing County and City housing programs.

In addition, the two Commissions established the Tallahassee-Leon County Affordable Housing Workgroup (Workgroup) to be staffed jointly by the County and City staff. Table 1 provides the name of the individuals and the organization they represent who were appointed by the County and City Commissions in December 2016.

Table 1. Tallahassee-Leon County Affordable Housing Workgroup

Members	Representing
Bill Wilson, Chairman	Leon County Affordable Housing Developer
Antoine Wright, Vice-Chair	Habitat for Humanity of the Big Bend
Wanda Hunter	Leon County
Raoul Lavin	City of Tallahassee
Rick Kearney	Beatitude Foundation
Brenda Williams	Tallahassee Housing Authority
Michelle Gayle	Leon County Schools
Dan Moore	Ability 1 st
Libby Lane	Tallahassee Lenders' Consortium
Sylvia Smith	Big Bend Homeless Coalition
Herbert Corbin	Bethel Community Development Corporation
Mike Rogers	Housing Finance Authority of Leon County
Curtis Taylor	Tallahassee Urban League
Talethia Edwards	City of Tallahassee Affordable Housing Consumer
Derry Williams	Leon County Affordable Housing Consumer
Lillie Thomas	City of Tallahassee Affordable Housing Developer
Amanda Wander	Big Bend Continuum of Care

The County and City Commissions established the following "Guiding Principles" as a framework for the Workgroup tasks:

- a. Holistic Approach to Affordable Housing – provides programs and services that enhance the quality of life for the family or individual.
- b. Strong and Extensive Collaboration and Partnerships – plan and design affordable housing developments with partners to leverage funds, technical support, and best practices.
- c. Capital Stack/Multiple Funding Streams – utilize multiple financing sources, including public funds, tax credits, bonds, grants, sales tax programs, and private donations to fund affordable housing projects.

Utilizing the Guiding Principles, the Workgroup was directed to develop a plan for the redevelopment of a multi-family housing project that included the following elements:

1. Recommendations for the coordination and collaboration of local government, non-profit and for-profit resources.
2. A housing design that considers the needs of residents and enhances the overall community.
3. Consider engaging organizations that promote best practices in affordable housing models.
4. Recommendations for leveraging the financial resources of local, state and federal resources to address permanent supportive housing for the homeless population.
5. Recommendations for a structure that would sustain the collaborative effort of the Affordable Housing Workgroup.

The County and City Commission also directed that United Partners for Human Services (UPHS) to assist the Workgroup by providing recommendations that consider the social services needs of the affordable housing residents such as healthcare, education, and workforce training.

In January 24, 2017, the County and City entered into a joint agreement to retain the services of the Florida Housing Coalition to provide research, analysis, and technical support to County and City staff. The Coalition provided to the Workgroup expertise and guidance on funding strategies and options to support an organizational structure that could sustain the collaborative effort of the Workgroup.

Analysis

In January 2017, the Workgroup began to develop its plan by reviewing the existing housing programs and support services of the County, City, and various community-based agencies including but not limited to Ability 1st, Big Bend Homeless Coalition, Bethel Community Development Corporation, Habitat for Humanity and the Tallahassee Housing Authority. In addition, the Workgroup heard presentations from the Executive Director of UPHS on the social and human service resources that support affordable housing residents, as well all financial representatives like the former director of the Florida Housing Finance Corporation who offered information on funding opportunities.

In reviewing the available program and services, the Workgroup recognized that there are a number of agencies that serve the housing needs of both general and specialized populations. However, these programs are administered independently from each other and often compete for limited resources.

To meet their charge to identify a multifamily redevelopment project that considers the needs of residents and enhances the overall community, the Workgroup considered proposed and ongoing projects such as Westgate, a residential campus that provides low cost, safe and secure housing for individuals and families transitioning from homelessness is in its final stages of construction; Casanas Village, a 5-story residential, mixed-income, community located in Frenchtown and scheduled for completion in November, 2017 and, the Orange Avenue Apartments, a Housing and Urban Development (HUD) designated community that was built in 1971 and is currently in

the master planning phase. In evaluating these developments, factors such as project status and the potential for adding value to the broader community and the quality of life for residents. As a result, the Workgroup concluded that the Orange Avenue Redevelopment project met these criteria and offered the best opportunity for meeting the guiding principles established by the joint Commissions.

Remainder of page intentionally blank

Table 2 itemizes the Workgroup's recommendations; groups those with similar themes and identifies those recommendations already being worked on and are considered "ongoing" versus the new recommendations seeking Commission direction.

Table 2: Summary of the Tallahassee-Leon County Affordable Housing Workgroup Recommendations		
Work Group Recommendation	Ongoing	New
1 Improving Coordination and Collaboration		
1(a) Streamline the process for the affordable housing developer to interact with all governmental entities needed to approve the affordable housing development, including, but not limited to, environmental review, permitting, and building inspections	✓	
1(b) Offer flexibility in regulatory requirements for affordable housing projects, as appropriate for the circumstances	✓	
1(c) Task a member of staff in both the County and the City to act as advocate/ombudsman for affordable housing across governmental departments	✓	
1(d) Direct the Office of Economic Vitality to use its mapping and GIS resources to identify publicly owned properties which may be available for the development of affordable housing	✓	
1(e) The City and County should adopt a cohesive inclusionary housing policy to increase the affordable housing inventory, including homeownership and rental units	✓	
1(f) City and County AHACs should meet jointly at least once a year to identify opportunities for coordination on affordable housing policies and incentives as reflected in the respective jurisdiction's Local Housing Assistance Plans (LHAP)		✓
1(g) Create the Tallahassee-Leon County Affordable Housing Leadership Council		✓
1(h) Increase awareness among the public, City, and County housing staffs about the current role of the Leon County HFA and work with the Leon County HFA to explore new initiatives that would benefit the affordable community		✓
1(i) Give priority to City and County infrastructure projects that support affordable housing development		✓
2 Housing design that considers the needs of residents and enhances the overall community		
2(a) Establish criteria for City/County funded developments that include affordable housing		✓
2(b) Ensure that requests for City or County funding of affordable housing projects include threshold requirements that meet industry standards for good design		✓
2(c) Use a Community Land Trust (CLT) to increase opportunities for homeownership		✓
3 Consider engaging organizations that promote best practices in affordable housing models		
3(a) Form a partnership with the nonprofit consulting group Purpose Built Communities to help integrate the Workgroup's recommendations into the Orange Avenue public housing redevelopment project		✓
3(b) City, County, and housing developers should pursue philanthropy and corporate sponsorship to contribute to Orange Avenue re-development projects		✓
3(c) Fund the Orange Avenue/Meridian Placemaking project identified in Blueprint 2020 project list in the first year of the new funding cycle		✓
3(d) Support the agencies working in the area around the Orange Avenue public housing redevelopment project to improve or produce single family homeownership with financial assistance and incentives from local government and other funding sources		✓
4 Promote the development of permanent supportive housing		
4(a) Tallahassee Housing Authority should dedicate a portion of its Section 8 vouchers to residents in need of Permanent Supportive Housing (PSH)		✓
4(b) Utility providers and housing assistance providers should identify options/opportunities to solve a barrier for some renters transitioning out of homelessness who have large past unpaid utility bills		✓
4(c) To the maximum extent feasible, waive concurrency fees, building permit fees, and utility connection fees for affordable housing projects, provided those savings are passed onto the affordable housing residents		✓
4(d) Provide education for landlords and case managers to reduce barriers for renting	✓	
5 Recommended Structure to Sustain the Collaborative Effort of the Workgroup		
5(a) Assign ongoing Workgroup tasks to the newly created Tallahassee-Leon County Affordable Housing Leadership Council	✓	
5(b) Alternatively, in the event that the Leadership Council is not created, the Workgroup recommends that the structure to sustain the collaborative effort of the Workgroup lie with the respective Leon County and City of Tallahassee AHACs	✓	
6 Establish a dedicated funding source for affordable housing		
6(a) Increase funding for affordable housing with a new local dedicated source of revenue that is responsive to identified affordable housing needs		✓
6(b) The Workgroup recommends that the County and City AHACs explore the options presented for a local dedicated funding source for affordable housing		✓
6(c) The Workgroup recommends that the AHACs consider how the City's current housing trust fund might be used as the collection point for any local dedicated source of revenue		✓
6(d) The Workgroup recommends that the City and County prioritize securing full appropriation of the Sadowski state and local housing trust funds every year		✓

Workgroup Recommendation #1: Improving Coordination and Collaboration

- The following recommendations focus primarily on internal local government processes that impact affordable housing development.
 - 1(a) Streamline the process for the affordable housing developer to interact with all governmental entities needed to approve the affordable housing development, including, but not limited to, environmental review, permitting, and building inspections.*
 - 1(b) Offer flexibility in regulatory requirements for affordable housing projects, as appropriate for the circumstances.*
 - 1(c) Task a member of staff in both the County and the City to act as advocate/ombudsman for affordable housing across governmental departments.*
 - 1(d) Direct the Office of Economic Vitality to use its mapping and GIS resources to identify publicly owned properties which may be available for the development of affordable housing.*

Staff Analysis

City and County staff responsible for administering their respective affordable housing programs have initiated discussions with the County's Developmental Support and Environmental Review Department and the City's Growth Management Department staffs, to identify ways to support and encourage affordable housing development projects through their respective building permitting and environmental review processes. In addition, Housing Staff has engaged in discussions with the Tallahassee-Leon County Office of Economic Vitality to explore utilizing the Tallahassee-Leon County Geographic Information Systems (GIS) resources to assist in identifying publicly-owned properties suitable for affordable housing developments by considering their proximity to job centers, quality schools, commercial development and other related factors that are essential to economic growth and sustainability. Therefore, in support of the Workgroup's recommendations, staff will continue to work with these entities within their respective jurisdictions to increase the affordable housing inventory.

Staff Recommendation

In light of ongoing activities, no additional actions by the respective Commissions are required for items 1(a)-1(d).

- The following recommendation focuses on County and City policies that impact affordable housing development.
 - 1(e) The City and County should adopt a cohesive inclusionary housing policy to increase the affordable housing inventory, including homeownership and rental units.*

Staff Analysis

The City adopted an Inclusionary Housing Ordinance in April 2005. The ordinance requires new developments of 50 units or more that are built in designated census tracts must include affordable housing in the development at a ratio designed to encourage the construction of affordable housing as the part of new housing development. The City ordinance has several objectives including "encourages the even and widespread distribution of affordable housing opportunities throughout all portions of the community..." Although the County does not have a

corresponding ordinance, on October 13, 2015, the County Commission directed the Planning Department to work with County and City Housing staff, the Affordable Housing Advisory Committees, the Community Redevelopment Agency, and the private sector to provide inclusionary housing policy recommendations as part of the Future Land Use Element Update. The Future Land Use Element Update is a 3 year effort which is scheduled to be completed in October, 2018. The Planning Department will meet with the representatives identified by the Board and provide status updates and recommendations to the City and County Commissions.

Staff Recommendation

In light of ongoing activities, no additional actions by the respective Commissions are required for item 1(e).

- The following recommendation focuses on County and City s Affordable Housing Advisory Committees (AHAC).

1(f) City and County AHACs should meet jointly at least once a year to identify opportunities for coordination on affordable housing policies and incentives as reflected in the respective jurisdiction's Local Housing Assistance Plans (LHAP). These committees should consider the following recommendations.

- i. The County should adopt an inclusionary housing ordinance in coordination with the City to support expansion and equitable distribution of affordable housing in the community.*
- ii. Work with staff to identify quality lands that the City or County may donate for nonprofit development.*
- iii. Propose a program for the City and County to engage large employers in the effort to produce more affordable housing.*
- iv. Develop recommendations to link affordable housing development with public transit.*

Staff Analysis

A portion of the funding that supports both the County and City's Housing programs are provided through the State Housing Initiative Partnership (SHIP). As recipients of SHIP funds, both the City and County are required to establish an Affordable Housing Advisory Committee (AHAC). Florida Statutes requires that the AHAC include representation from various constituencies including real estate, residential home building, mortgage lending and non-profit housing providers. Additionally, each government must periodically convene their respective AHACs to review regulations and procedures and identify any regulatory barriers to affordable housing. Both the County and City have adopted Local Housing Assistance Plans (LHAP) which identify affordable housing objectives and programs for each community. The City and County must review and update their LHAPs every three years. The AHACs are required to participate in that review and provide recommendations regarding the LHAPs.

The City and County AHACs have never held a joint meeting, compared LHAPs or developed comprehensive strategies. Staff has assessed that there are mutual benefits in coordinating these activities. Staff supports the Workgroup recommendation to have the AHACs meet jointly once a year.

Staff Recommendation

Direct the County and City Housing staffs to hold a joint meeting of the AHACs at least once a year.

- The following recommendation focuses on the feasibility of creating an Affordable Housing Leadership Council.

1(g) Create the Tallahassee-Leon County Affordable Housing Leadership Council.

Staff Analysis

A network of stakeholders with a common interest is a best practices model for establishing and advancing specific community-wide goals. Currently, no such organization exists in our community with an exclusive focus on increasing the affordable housing inventory.

A Council comprised of affordable housing stakeholders such as developers, real estate professionals, bankers, not-for-profit social and human services agencies, affordable housing tenants/homeowners, and County and City Housing staff could serve as platform the affordable housing industry.

Palm Beach County utilizes an Affordable Housing Leadership Council to form partnerships to finance and construct affordable housing developments and advocate for affordable housing policies at the state level.

Staff Recommendation

Authorize staff to explore the viability of establishing an Affordable Housing Leadership Council in conjunction with select members of the Workgroup and United Partners for Human Services and provide a report to the County and City Commissions within 180 days.

- The following recommendation focuses on existing County and City Programs that facilitate access to affordable housing.

1(h) Increase awareness among the public, City, and County housing staffs about the current role of the Leon County HFA and work with the Leon County HFA to explore new initiatives that would benefit the affordable community.

Staff Analysis

The Housing Finance Authority of Leon County (HFA) is a dependent, special district established by the County Commission to create more financing options for affordable housing. The seven members of the HFA are appointed by the County Commission. The HFA is authorized to issue and sell bonds upon approval of the County Commission. In accordance with Florida Statute, the HFA is authorized to use its funds in both the City and in the unincorporated areas of the County. One service of the Leon County HFA is to fund the Emergency Home Repair Program. Additionally, as authorized by the County Commission, the HFA partners with the Escambia HFA to offer first mortgage loans and down payment assistance to first-time home buyers in the County.

There are opportunities for greater collaboration between the County, City, and HFA to leverage their collective resources and provide additional affordable housing programs and services to

residents county-wide. In accordance with SHIP criteria, the County's housing program can only provide services to residents in unincorporated areas. Similarly, the City's housing program can only serve residents inside the City limits. Florida Statute allows the HFA offer services county-wide and as such, could serve as a bridge to enhance the County and City's current programs. Many HFAs partner with local governments to finance multi-family development projects and provide down payment assistance to individuals seeking homeownership. By working together, the County and City could identify opportunities for HFA to support additional housing programs in both the City and the unincorporated area of Leon County.

Staff Recommendation

Authorize City staff to work collectively with County staff and the Housing Finance Authority of Leon County to explore partnership opportunities to address affordable housing needs.

- The following recommendation focuses on the prioritization of City and County infrastructure projects.

1(i) Give priority to City and County infrastructure projects that support affordable housing development.

Staff Analysis

Studies support that infrastructure adds value to the existing housing stock, community safety and livability. Capital improvement investments in roads, sidewalks, sewer, stormwater, parks, greenspaces and related amenities are included in all viable long term community development plans. In furtherance of this assessment, on October 10, 2017, the County Commission held a workshop that focused on the local crime statistics and directed that the current infrastructure conditions and strategies for improvements to address the needs, such as street lighting, sidewalks, etc., be included as part of any future affordable housing development projects.

Staff Recommendation

Direct County and City Departments, i.e. Public Works, Underground Utilities and Infrastructure, Blueprint and Planning, to include affordable housing as a criterion when prioritizing infrastructure projects.

Workgroup Recommendation #2: Housing design that considers the needs of residents and enhances the overall community

- The following Workgroup recommendations focus on the type of housing that the County and City programs should prioritize for investment.

2(a) Establish criteria for City/County funded developments that include affordable housing.

2(b) Ensure that requests for City or County funding of affordable housing projects include threshold requirements that meet industry standards for good design.

Staff Analysis

The County and City LHAPs currently include good design standards for affordable housing rehabilitation and replacement projects. The respective housing programs also work closely with their building permitting staffs to ensure affordable housing rehabilitation projects meet design criteria for using SHIP funds.

Good design standards support a sustained affordable housing inventory. County and City staff in corporation with partners such as Habitat for Humanity, Tallahassee Lenders Consortium, and the Tallahassee Urban League could evaluate design standards that may be applicable countywide.

Staff Recommendation

Direct staff to work with housing partners to evaluate design standards that could be applied countywide.

- The following Workgroup recommendation focuses on the concept of incorporating a Community Land Trust.

2(c) Use a Community Land Trust (CLT) to increase opportunities for homeownership.

Staff Analysis

A Community Land Trust (CLT) is typically a non-profit entity that acquires and retains land and later sells the improvements through a 99-year ground lease to a homeowner. In effect, this separates the land from the home for the purpose of transferring title of the home to the individual without transferring the land and the associated costs. This arrangement between the homeowner and the CLT protects home affordability in perpetuity by ensuring sustained affordability for those who meet the low and moderate income criteria.

This funding model is a commonly used financing strategy that supports fiscal stewardship and can be applied to County or City housing projects. Exploring the feasibility of using this funding model poses minimal risk to government assets. Staff could review the current inventory of County and City owned lands, assess which non-profit organizations have the capacity to serve as a CLT, and assess the overall benefit of a CLT in the community and provide a report to the County and City Commissions respectively.

Staff Recommendation

Direct staff to assess the feasibility of using a Community Land Trust as an affordable housing funding strategy and provide recommendations to the County and City Commissions respectively.

Workgroup Recommendation #3: Consider engaging organizations that promote best practices in affordable housing models

- The following Workgroup recommendations focus on the efforts of Purpose Built Communities and New Columbia Residential to redevelop the Orange Avenue Apartments.

- 3(a) *Form a partnership with the nonprofit consulting group Purpose Built Communities to help integrate the Workgroup's recommendations into the Orange Avenue public housing redevelopment project.*
- 3(b) *City, County, and housing developers should pursue philanthropy and corporate sponsorship to contribute to Orange Avenue re-development projects.*

Staff Analysis

In April 2017, the Workgroup invited Purpose Built Communities (Purpose Built) to its meeting. At that time, David Edwards and Kathleen Brownlee, CEO and Vice-President of Purpose Built, respectively, presented the organization's holistic approach to affordable housing which entailed redeveloping aging and outdated multi-family housing developments (e.g. Section 8, low income multi-family units, etc.), as well as the surrounding neighborhoods in order to break the cycle of inter-generational poverty. The representatives of Purpose Built shared with the Workgroup its approach to revitalizing neighborhoods including the following elements:

- Developing mixed-income multifamily housing;
- Establishing an educational institution tailored for the residents of the housing development; and
- Introducing wellness programs such as health centers and urban community gardens.

Mr. Edwards shared that Purpose Built provides consultation and technical support to communities that wish to implement its model at no charge. Typically, Purpose Built works with a local foundation or private organization to focus on a defined neighborhood in which its model could be successfully replicated. However, Purpose Built requires that it be invited into the community to provide its services. Mr. Edwards stated that should Purpose Built be invited to the Tallahassee-Leon County community, its services would include assisting in the creation of a local foundation or private organization that would spearhead a redevelopment project.

During the April meeting, the Workgroup also received a presentation from Jim Gauley, Chief Operating Officer of New Columbia Residential (Columbia), a residential construction/development company specializing in quality, affordable housing that fulfills the needs of residents and enhances the aesthetic standards of the community. In December 2016, Columbia was selected by the Tallahassee Housing Authority (THA) to develop a master plan for the Orange Avenue Corridor (South Monroe Street to Blair Stone Road) which includes the Orange Avenue Apartments, the 29-acre obsolete public housing development built in 1972.

Columbia is intimately familiar with the Purpose Built model and has planned and developed several Purpose Built projects. Prior to meeting with the Workgroup, Purpose Built and Columbia representatives toured the Orange Avenue Apartments. After the tour, Mr. Edwards and Mr. Gauley shared with the Workgroup that based on their initial assessment, the Orange Avenue Apartments could be an appropriate project for the Purpose Built model. Mr. Gauley, stressed that participation by Purpose Built in the master plan process would add value in redeveloping the multi-family housing units and the adjacent neighborhoods.

During its meeting in May, the Workgroup voted unanimously to recommend that the County and City Commissions invite Purpose Built to assist Columbia in the master planning process. Based on their successful partnership in other projects, the Workgroup concluded that Purpose

Built provides the appropriate model to coordinate the effective use of local government, not-for-profit and for-profit resources that could address the needs of residents, enhance the community and put an end to the intergenerational poverty that currently plagues the community.

The Workgroup also deemed it appropriate that the County and City Commission invite Purpose Built, as soon as possible, so that they may participate in the master planning process of the Orange Avenue Apartments. The THA also supports the participation of Purpose Built in the master planning process.

Subsequently, the County and City Commissions respectively accepted the recommendation of the Workgroup and invited Purpose Built to assess the feasibility of applying its model to the Orange Avenue Apartments. As Columbia took steps in its development of the master plan for the Orange Avenue Apartments, the County and City Commissions directed staff to invite Purpose Built to determine the feasibility of incorporating their model into the Columbia project.

Since the actions taken by the County and City Commission, Purpose Built and Columbia have been engaging the community on the redevelopment plan for the Orange Avenue Apartments. With the guidance of the Workgroup, Purpose Built has met with several community leaders to gauge their interest in participating in a champion organization that would ensure that the Orange Avenue Apartment redevelopment project meet each element of the Purpose Built model, Purpose Built intends to meet several more private and civic leaders

Columbia has met with County and City Commissioners, the Superintendent, School Board members, local state representatives to discuss broad policy implications of the redevelopment of Orange Avenue Apartments. Approximately eight planning workshops have been held with the tenants of the Orange Avenue Apartments and residents of the surrounding neighborhoods to gather input on the needs of the community and to provide updates on the master planning process. Columbia also held several meetings with County and City staff to discuss the regulatory and environmental impact of redeveloping Orange Avenue Apartments.

As part of the master planning process, Columbia is evaluating funding sources for the redevelopment project. A major source of funding may include 9% low income housing tax credit provided through Florida Housing Finance Corporation. The 9% tax credit is highly competitive. County and City staff participates in bi-weekly meetings with Columbia to strategize the best approach to secure access to the 9% tax credit for the project.

In July 2017, as authorized by the County Commission, a meeting with the Columbia team, representatives from the THA, HFA to have a broad discussion on financing options for the Orange Avenue Apartments redevelopment project (Attachment #2). In addition to the low income housing tax credit, the meeting participants also discussed bonds, state financing programs such as the State Apartment Incentive Loan (SAIL) Program, Blueprint Sales Tax, the Community Development Block Grant (CDBG) and HUD-HOME. All funding options discussed were preliminary, as the projected cost for redevelopment has not yet been determined.

County and City staff will continue to work with Purpose Built and Columbia through all phases of the redevelopment project for Orange Avenue Apartments and provide quarterly status updates to the County and City Commission respectively on the Orange Avenue Redevelopment Project.

Staff Recommendation

Direct staff to provide periodic status updates on the Orange Avenue Redevelopment Project.

- The following Workgroup recommendation focuses on the infrastructure and broader community development initiatives associated with the Orange Avenue Redevelopment Project.

3(c) Fund the Orange Avenue/Meridian Placemaking project identified in Blueprint 2020 project list in the first year of the new funding cycle.

Staff Analysis

As referenced earlier, addressing the community infrastructure needs offers multiple community benefits. Both the City and County consider affordable housing objectives when making public infrastructure investments. Giving high priority to the Blueprint 2020 improvements targeted for the South City would support the community revitalization efforts resulting from the Orange Avenue public housing redevelopment project. On September 19, 2017, the Blueprint Intergovernmental Agency (IA), which is comprised of the County and City Commission, prioritized projects for Blueprint 2020 funding. The Orange Avenue/Meridian Placemaking project tied for the number one project on the Community Enhancement, Connectivity, and Quality of Life Blueprint 2020 Infrastructure Projects priority list. Currently, the Blueprint staff is developing an implementation plan for all 2020 projects which will be presented to the IA next year.

Staff Recommendation

Continue to support the IA prioritized funding of the Blueprint 2020 Orange Avenue/Meridian Placemaking Project within the first year of the collection of the one-cent infrastructure surtax to support the redevelopment of the community that surrounds the Orange Avenue Apartments.

- The following Workgroup recommendation focuses on supporting the local entities that enhance single family home ownership in the Orange Avenue community.

3(d) Support the agencies working in the area around the Orange Avenue public housing redevelopment project to improve or produce single family homeownership with financial assistance and incentives from local government and other funding sources.

Staff Analysis

As previously mentioned, during the affordable housing workshop in October 2016, the County and City Commissions reaffirmed their commitment to promoting, preserving and expanding homeownership by maintaining the existing County and City housing programs. Additionally, the City has collaborated with partners such as the Tallahassee Lenders Consortium to redevelop single family homes neighborhoods near the Orange Avenue Apartments. The potential collaboration between the County, City, and HFA could serve as a catalyst to promote investment in sustainable homeownership in area.

Staff Recommendation:

Direct staff to partner with affordable housing organizations and other entities that enhance a livable community and promote sustained homeownership in the neighborhoods surrounding the Orange Avenue Apartments.

Workgroup Recommendation #4: Promote the development of permanent supportive housing

- The following recommendations focus on efforts to promote permanent supportive housing efforts.

4(a) Tallahassee Housing Authority should dedicate a portion of its Section 8 vouchers to residents in need of Permanent Supportive Housing (PSH).

Staff Analysis

The Workgroup reviewed the most recent data on the community homelessness as provided by Big Bend Community Based Care and determined that approximately 126 permanent supportive housing units are needed in Tallahassee-Leon County. Based on trend data, that number is expected to increase to 138 in 2018 and 153 in 2019.

To meet the objective of the Guiding Principle regarding permanent supportive housing, the Workgroup reviewed the most recent data on the community homelessness provided by Big Bend Community Based Care and determined that approximately 126 permanent supportive housing units are needed in Tallahassee-Leon County. Based on trend data, that number is expected to increase to 138 in 2018 and 153 in 2019. In light of the data, dedicating a portion of the Section 8 vouchers to residents in need of permanent supportive housing is the best available alternative. The Tallahassee Housing Authority has a total of 2,100 Section 8 vouchers that are fully utilized. The U.S. Department of Housing and Urban Development (HUD) allows up to 25% of Section 8 vouchers to be set aside for project-based programs. This program provides affordable apartment communities that are owned by private landlords with a rental subsidy that helps pay the rent for low income tenants. The THA currently provides 50 Section 8 vouchers for veterans residing in Home Front Apartments which is managed by the Big Bend Homeless Coalition. During the Workgroup meeting the Executive Director of THA expressed a willingness to set aside Section 8 vouchers for Permanent Supportive Housing but stressed that the THA had a waiting list comprised of 16,000 families. The THA Executive Director has committed to work with the Big Bend Homeless Coalition, Ability 1st and other agencies whose mission focuses on permanent supportive housing in the community.

Staff Recommendation

Provide a joint formal letter to the Tallahassee Housing Authority and request that they reserve a portion of its funding assistance dollars for permanent supportive housing clients, if available.

- The following Workgroup recommendations focus on eliminating barriers to transitioning from homelessness to permanent housing.

4(b) Utility providers and housing assistance providers should identify options/opportunities to solve a barrier for some renters transitioning out of homelessness who have large past unpaid utility bills.

4(c) To the maximum extent feasible, waive concurrency fees, building permit fees, and utility connection fees for affordable housing projects, provided those savings are passed onto the affordable housing residents.

Staff Analysis

Delinquent utility bills and poor credit limit the ability for people to transition from homeless emergency sheltering to permanent housing. Unpaid utility bills may make it impossible for these shelter residents to move to a rental unit even if there are resources to support the housing costs. The City of Tallahassee Utilities works with numerous local social service agencies to aid in the transition from homeless or incarceration to permanent housing. Agencies such as Elder Care Services, Florida Veterans Foundation, and Redeemed, Inc., among others, identify clients in need of financial assistance and extra care to navigate the utility account establishment process. These agencies work directly with the City Utilities to provide assistance with ID verification and waiving ID requirements, establishing deposits, making payment arrangements for past debt, and coordinating the timing of service connections based on the needs of the client. To continue to assist individuals in overcoming these barriers during the transition period, it is recommended that other utility providers develop programs and policies to address this issue and support the transition of impacted persons to permanent housing.

Although, development fees add to the cost of developing housing and directly impact low-income homebuyers and renters, fees are used to offset the costs associated with administrative services required to support permitting program operations. In addition, Florida statute prohibits local governments from waiving building permit fees. However, programs and policies that mitigate these costs would promote permanent homeownership.

Further analysis is needed to identify options that address the specific needs of those transitioning from homelessness to permanent housing; and incentives to encourage partnerships between utility providers and local affordable housing developers.

Staff Recommendation

Direct staff to work with utility providers to develop recommendations for addressing the problems associated with persons transitioning from homeless shelters to permanent housing, who have outstanding utility bills, and provide a report to the County and City Commissions, respectively.

- The following Workgroup recommendation focuses on reducing barriers for persons transitioning from homelessness to rental housing.

4(d) Provide education for landlords and case managers to reduce barriers for renting.

Staff Analysis

Currently, Housing staff offers fair housing and financial education training, homeowner repair workshops, seminars and expos to the County and City residents. By working with the Big Bend Homeless Coalition, staff will incorporate an educational component for landlords and case managers into its current training that focuses on removing barriers for persons transitioning from homelessness.

Staff Recommendation

In light of ongoing activities, no additional actions by the respective Commissions are required for item 4(d).

Workgroup Recommendation #5: Recommended Structure to Sustain the Collaborative Effort of the Workgroup.

- The following Workgroup recommendations focus on actions that ensure their collaborative efforts are sustained.

5(a) Assign ongoing Workgroup tasks to the newly created Tallahassee-Leon County Affordable Housing Leadership Council.

5(b) Alternatively, in the event that the Leadership Council is not created, the Workgroup recommends that the structure to sustain the collaborative effort of the Workgroup lie with the respective Leon County and City of Tallahassee AHACs.

Staff Analysis

In considering the coordination of tasks necessary to support and promote the County and City's respective housing programs, all relevant information regarding Board approved Workgroup recommendations will be shared with committees responsible for implementing housing related initiatives.

Staff Recommendation

Therefore, no additional actions by the respective Commissions are required for items 5(a) and 5(b).

Workgroup Recommendation #6: Establish a dedicated funding source for affordable housing.

- The following Workgroup recommendations focus on identifying a dedicated funding source for affordable housing.

6(a) Increase funding for affordable housing with a new local dedicated source of revenue that is responsive to identified affordable housing needs.

6(b) The Workgroup recommends that the County and City AHACs explore the options presented for a local dedicated funding source for affordable housing.

6(c) The Workgroup recommends that the AHACs consider how the City's current housing trust fund might be used as the collection point for any local dedicated source of revenue.

Staff Analysis

The Workgroup recommended that the County and City AHACs evaluate these and other funding sources to create a local dedicated funding source to support affordable housing and to supplement the current grant resources. During their discussions, the Workgroup identified potential funding vehicles such as general obligation bonds, dedication of sales tax revenue and "linkage fees" as examples of funding sources used in other communities to support affordable housing. The group also referenced existing revenue sources such as the economic development allocation in the Blueprint 2020 program and the transient occupancy tax as potential funding sources.

Staff is recommending that this review be initiated at the County and City staff level. The funding methods cited above have statutory requirements and limitations which need to be identified to determine their viability as a potential affordable housing dedicated funding source. The County and City provide the staff support for their respective AHACs and will need to perform this review before the matter is considered by the advisory committees.

Staff Recommendation:

Direct the County and City staff to evaluate permanent funding sources for affordable housing.

- The following Workgroup recommendation focuses on legislative actions to support the funding of affordable housing programs.

6(d) The Workgroup recommends that the City and County prioritize securing full appropriation of the Sadowski state and local housing trust funds every year.

Staff Analysis

In 1992, the Florida Legislature adopted the William E. Sadowski Affordable Housing Act to establish a portion of Florida's documentary stamp taxes as a funding source for affordable housing. These taxes are used to fund the State Housing Initiatives Partnership (SHIP) program. SHIP is the primary source of funding for the County's Housing Program and a major source of funding for the City's Housing Program. For the past fifteen years, the Legislature has swept a portion of the Sadowski funds, and in particular, the SHIP funds away from affordable housing and into the general revenue fund. For example, had the Legislature fully funded the Sadowski Act during the 2017 Legislative Session, for FY 17/18 the County and City were projected to receive \$987,765 and \$1,952,136 in SHIP funding, respectively; however, the County received \$426,361 and the City received \$825,065 after the Legislature swept a portion of the funds into general revenue. That represented a total reduction of \$1,688,475 or 57% of what County and City was anticipated to receive. If fully funded, the Sadowski Act would allow the County to more broadly address the affordable housing needs of the community.

Staff Recommendation

Direct staff to include the support of full funding of the Sadowski Act into the County and City's respective legislative priorities, with assistance from the Florida Association of Counties and the Florida League of Cities.

CONCLUSION

The recommendations from the Workgroup and further analysis that supports staff's recommendations are consistent with the direction provided by the City and County Commissions at the October 2016 joint workshop. The Workgroup has provided suggestions and recommendations to increase coordination and cooperation to better leverage current affordable housing resources and have recommended that new funding sources be considered. The Workgroup recommended the Orange Avenue Apartments redevelopment project as a potential model for multi-family housing development. This project will involve leveraging of state, local and federal resources and multiple funding streams as identified in the "Guiding Principles" established by the Commissions. Purpose Built Communities has been engaged as a potential partner in the Orange Avenue project.

The Workgroup has identified issues and provided recommendations to assist persons transitioning from homelessness to permanent housing. Finally the group has also provided recommendations on how to implement and sustain their proposed improvements. City and County staff have provided an analysis, comments and recommendations for each of the Workgroup recommendations identified in the final report. Staff recommends that the City and County Commissions accept the Tallahassee-Leon County Affordable Housing Workgroup Report and approve the County and City Staff recommendations.

OPTIONS:

1. Accept the Tallahassee-Leon County Affordable Housing Workgroup final report.
2. In accordance with the recommendations of the Workgroup direct the following:
 - a. Direct the County and City Housing staffs to hold a joint meeting of the AHACs at least once a year.
 - b. Authorize staff to explore the viability of establishing an Affordable Housing Leadership Council in conjunction with select members of the Workgroup and United Partners for Human Services and provide a report to the County and City Commissions within 180 days.
 - c. Authorize City staff to work collectively with County staff and the Housing Finance Authority of Leon County to explore partnership opportunities to address affordable housing needs.
 - d. Direct County and City Departments, i.e. Public Works, Underground Utilities and Infrastructure, Blueprint and Planning, to include affordable housing as a criterion when prioritizing infrastructure projects.
 - e. Direct staff to work with housing partners to evaluate design standards that could be applied countywide.
 - f. Direct staff to assess the feasibility of using a Community Land Trust as an affordable housing funding strategy and provide recommendations to the County and City Commissions respectively.
 - g. Direct staff to provide periodic status updates on the Orange Avenue Redevelopment Project.
 - h. Continue to support the Blueprint IA prioritized funding of the Blueprint 2020 Orange Avenue/Meridian Placemaking Project within the first year of the collection of the one-cent infrastructure surtax to support the redevelopment of the community that surrounds the Orange Avenue Apartments.
 - i. Direct staff to partner with affordable housing organizations and other entities that enhance a livable community and promote sustained homeownership in the neighborhoods surrounding the Orange Avenue Apartments.
 - j. Provide a joint formal letter to the Tallahassee Housing Authority and request that they reserve a portion of its funding assistance dollars for permanent supportive housing clients, if available.

- k. Direct staff to work with utility providers to develop recommendations for addressing the problems associated with persons transitioning from homeless shelters to permanent housing, who have outstanding utility bills, and provide a report to the County and City Commissions, respectively.
 - l. Direct the County and City staff to evaluate permanent funding sources for affordable housing.
 - m. Direct staff to include the support of full funding of the Sadowski Act into the County and City's respective legislative priorities, with assistance from the Florida Association of Counties and the Florida League of Cities.
3. Board/City Commission direction

Attachments:

- 1. Final Report of the Tallahassee-Leon County Affordable Housing Workgroup
- 2. Notes from the July 5, 2017 Meeting with the on Housing Finance Authority of Leon County and the Orange Avenue Apartments Redevelopment Project

Tallahassee-Leon County Affordable Housing Workgroup Final Report

Introduction:

The Charge:

The County and City Commissions created the Tallahassee-Leon County Affordable Housing Workgroup (Workgroup) during their joint workshop held on October 27, 2016. At that time the two Commissions established the following “Guiding Principles” as a framework for the Workgroup to address affordable housing:

1. Holistic Approach to Affordable Housing – provides programs and services that enhance the quality of life for the family or individual.
2. Strong and Extensive Collaboration and Partnerships – plan and design affordable housing developments with partners to leverage funds, technical support, and best practices.
3. Capital Stack/Multiple Funding Streams – utilize multiple financing sources, including public funds, tax credits, bonds, grants, sales tax programs, and private donations to fund affordable housing projects.

Utilizing the Guiding Principles, the County and City Commissions charged the Workgroup with developing a plan for the redevelopment of multi-family housing. The plan was directed to include the following:

1. Recommendations for the coordination and collaboration of local government, non-profit and for-profit resources.
2. A housing design that considers the needs of residents and enhances the overall community.
3. Recommendations for leveraging the financial resources of local, state and federal resources to address permanent supportive housing for the homeless population.
4. Consider engaging organizations that promote best practices in affordable housing models.
5. Recommendations for a structure that would sustain the collaborative effort of the Affordable Housing Workgroup.

The plan that follows is labeled and organized to follow the order of the charge above. An additional Recommendation (6) is at the end, which addresses dedicated revenue for affordable housing. The issue of bringing in additional affordable housing revenue beyond that for permanent supportive housing for the homeless population in item (3) was not expressly included in the Commissions’ charge, but the Workgroup believes it warrants a recommendation.

The Process:

The Workgroup met eight times starting in January 2017; Minutes from those meetings and materials from various presentations are included in Appendix C. County and City staff delivered a comprehensive notebook to all Workgroup Members, containing a summary of workgroup responsibilities, information on current City and County assistance, a summary of housing research and investigative housing-related trips conducted in 2016, and more. Initial meetings offered presentations on many affordable housing topics relevant to the Workgroup’s goals. In April, the Workgroup met with representatives from Purpose Built Communities and discussed how to apply recommendations to the Orange Avenue multifamily redevelopment project as the case study in the Workgroup’s report. The Workgroup also had four

meetings primarily focused on group discussion to identify recommendations. A survey was employed to obtain additional workgroup member input to inform the recommendations.

The recommendations presented in this report serve as the plan developed by the Workgroup that will foster greater collaboration and coordination of affordable housing in Tallahassee-Leon County. Additionally, the recommendations that follow seek to emphasize good design and best practices that address the need for quality affordable housing that improves the lives of its residents and support community redevelopment. The Guiding Principles established by the County and City Commissions were utilized to formulate the Workgroup's recommendations.

#1 – Recommendations for coordination and collaboration of local government, non-profit and for-profit resources.

The Workgroup employed the following approach to develop recommendations for this section: opportunities for collaboration and coordination of local government resources (i.e. Leon County and the City of Tallahassee planning and regulatory work); and opportunities for collaboration and coordination of local government, non-profits, and for profit resources (i.e. capital stack/multiple funding streams).

A. Streamline the process for the affordable housing developer to interact with all governmental entities needed to approve the affordable housing development, including, but not limited to, environmental review, permitting, and building inspections.

Several governmental entities are involved when affordable housing is constructed or repaired. The cost of housing development is reduced when all governmental entities meet together upfront to review the project. The developer may receive guidance and answers more quickly and confirm that all parties involved are in agreement. One workgroup member provided an example from his personal experience getting development approval for an affordable housing development. It required a road on the side of the property long enough to accommodate fire trucks. One department was requiring a paved road, while another would consider allowing for a gravel road. The cost difference for the two types of roads was substantial, and it demonstrates the need for a unified approach that involves all departments communicating with each other and the developer from the beginning of the project.

B. Offer flexibility in regulatory requirements for affordable housing projects, as appropriate for the circumstances.

An examination of regulatory requirements is a task for the Affordable Housing Advisory Committee, but there may be code requirements that have not been examined by the AHAC. One example for flexibility is in parking requirements. When an affordable housing development serves populations that have fewer cars, such as seniors or homeless, the required number of spaces should be reduced.

C. Task a member of staff in both the County and the City to act as advocate/ombudsman for affordable housing across governmental departments.

The City and County each currently have an ombudsman, but he/she is not specifically tasked with shepherding and trouble-shooting affordable housing developments. Workgroup members

talked about the importance of a person in both local governments with a pioneering spirit, who can convene stakeholders and encourage inter-departmental interaction.

D. Direct the Office of Economic Vitality to use its mapping and GPS resources to identify publicly owned properties which may be available for the development of affordable housing.

The staff of Office of Economic Vitality will create an overlay or otherwise filter the list to identify parcels that are near transit. Al Latimer from the Office of Economic Vitality confirmed this might be a project his office could support, considering that quality low cost housing is part of the strategy for reducing crime and increasing economic development.

E. The City and County should have a cohesive inclusionary housing policy to increase the affordable housing inventory, including homeownership and rental units.

The County currently has no inclusionary housing ordinance. The consequence is that market rate developers are able to produce large scale housing developments in the County without any affordable housing units and then annex the property into the City. This exacerbates the affordable housing deficiency in the City. The City's Inclusionary Housing Ordinance is designed to promote the construction and equitable distribution of affordable housing within the City. The ordinance requires that new housing developments of 50 units or more that are built in designated census tracts must include affordable housing in the development. The adoption of a cohesive inclusionary policy for the City and County should continue to provide for increasing housing in areas of opportunity but should also promote a greater number of affordable homes for both homeownership and rental and provide for those homes to be affordable long term. Appendix B of this report includes the text of the ordinance and the city's implementation policy.

F. City and County AHACs should meet jointly at least once a year to identify opportunities for coordination on affordable housing policies and incentives as reflected in the respective jurisdiction's Local Assistance Plans (LHAP).

These committees should consider the following recommendations.

- 1. The County should adopt an inclusionary housing ordinance in coordination with the City to support expansion and equitable distribution of affordable housing in the community.**

The AHACs should consider a policy that will result in a greater number of affordable housing units developed and will further the objective of the inclusionary housing policy to create housing in areas of opportunity.

- 2. Work with staff to identify quality lands that the City or County may donate for nonprofit development.**

Currently, the County provides the Housing Finance Authority of Leon County the right of first refusal for County-owned property that are deemed appropriate for affordable housing development. Traditionally, the HFA has sold the properties and dedicated the proceeds for future affordable housing projects. The AHACs should consider the donation of County and City-owned properties to nonprofit development.

3. Propose a program for the City and County to engage large employers in the effort to produce more affordable housing.

The Workgroup considered collaborations with hospitals, universities, the school board, state government, and other large employers, that could leverage their relationships with lenders to encourage the lenders to contribute some additional benefit to the financing of affordable housing. Similarly, the City, County, and other large employers could work with their lender partners to establish a linked deposits program. Under this approach, the large employer's funds would be deposited in such a way as to support a housing development loan program with conditions that might include below-market interest rates, flexible terms, and careful targeting to specific credit needs. The AHAC should identify opportunities for large employers to provide purchase assistance to their employees. This employer-assisted purchase program should be implemented in coordination with a local agency already providing purchase assistance and homebuyer education.

4. Develop recommendations to link affordable housing development with public transit.

The availability of transportation can open opportunities for the development of affordable housing and provide greater employment opportunities for the workforce that is unable to afford a personal car, and relies upon public transportation to get to and from work.

G. Create the Tallahassee-Leon County Affordable Housing Leadership Council.

The Workgroup recommends the creation of the Tallahassee-Leon County Affordable Housing Leadership Council (Leadership Council) to serve as a structure that will promote the collaboration and coordination of affordable housing stakeholders in the community. The Leadership Council would be an independent nonprofit organization comprised of developers, real estate professionals, bankers, not-for-profit affordable housing organizations, affordable housing tenants/homeowners, and County and City Housing staff. The Leadership Council would also serve as an entity for networking and leveraging of affordable housing resources. The nonprofit incorporated entity envisioned by the Workgroup shares similarities with the Housing Leadership Council of Palm Beach County (website <http://www.hlcpbc.org/>), a coalition of business, civic and community leaders working to identify solutions for affordable housing shortage which could serve as a model. Several Workgroup members would work with the United Partners for Human Services (UPHS) in assessing interest and viability for the creation of the Leadership Council. City and County participation in the Leadership Council would encourage commitment from other stakeholders.

H. Increase awareness among the public, City, and County housing staff about the current role of the Leon County HFA currently and work with the Leon County HFA to explore new initiatives that would benefit the community.

The Leon County HFA operates throughout the City and the County. It currently provides 4% tax credit bond financing for multifamily housing. An example of how the Leon County HFA can collaborate with the current effort to redevelop the Orange Avenue apartments is as follows. The redevelopment will most likely seek 9% tax credits from the FHFC, and even if successful, it is highly unlikely that 9% credits would be secured for the entire redevelopment. A combination of 9% and 4% credits is likely to be used for a phased redevelopment. A current example for this is with the Tampa Housing Authority redevelopment of public housing property into Encore. This redevelopment is a mixed income, mixed use project used 9% credits for some buildings and 4% credits for other buildings that are part of the same redevelopment plan.

The Hillsborough HFA provides a number of best practices that may serve our community needs well. For example, the Up and Out Program run by the Hillsborough HFA provides rental assistance for homeless families. Other opportunities exist for having a portion of the SHIP monies in the City used to supplement the down payment assistance program that Leon County HFA currently operates in conjunction with Escambia HFA, and is currently limited to \$7,500 per household.

I. Give priority to City and County infrastructure projects that support the development of affordable housing.

Good quality infrastructure such as roads, sidewalks, and central sewer are essential to the successful development of affordable housing. The City and County should give priority to capital improvement projects that would enhance the infrastructure needed in areas where affordable housing could be developed in concert with private sector investment. Infrastructure is needed both for new construction and to revitalize neighborhoods which currently have affordable housing single family or multifamily developments.

#2 – Housing design that considers the needs of residents and enhances the overall community.

A. Establish criteria for City/County funded development that include affordable housing.

There is no single, universally used application for applying to receive City or County funds for affordable housing projects. The City and County should consider incorporating these recommended criteria in all applications used to select recipients of funding for affordable housing projects. Adopt the following criteria to help ensure the best distribution of City and County funds:

- 1) Establish an application mechanism to promote mixed income housing developments.
- 2) Reward applications that propose projects involving collaboration between housing developers and providers.

- a) Reward applications that highly leverage resources to increase the affordability of housing.
- b) Establish a priority of funding for a variety of housing types. Prioritize permanent housing above transitional housing or homeless shelters. Also provide definitions for housing types like homeownership, rental, and homeless household assistance.
- c) Prior to funding, the application process should involve activities of interagency communication between the Leon County Office of Human Services & Community Partnerships, the City of Tallahassee Community Housing & Human Services Department, and other relevant governmental entities.

B. Ensure that requests for City or County funding of affordable housing projects include threshold requirements that meet industry standards for good design.

Workgroup members identified several specific requirements:

- 1) Good design produces affordable housing that is indiscernible from market rate housing. The City and County should invest in long-term quality affordable housing. Applications should require that construction materials, appliances, and equipment will be of a quality that serves the residents and the neighborhood's interests in having quality affordable housing, in contrast to housing that just meets the minimum standards.
- 2) An application should define design features, construction specifications, and amenities for each housing type that must be included as a threshold for all applications. These threshold requirements could include elements of the Florida Green Building certification checklist, as well as universal design principles to optimize accessibility for people with disabilities and all other occupants. Consider if the accessibility standards in the Florida Housing Finance Corporation's applications should be adopted in local applications, with particular attention to cost benefit analysis.
- 3) Workgroup members acknowledged that designing for the community at large means addressing many types of affordable housing, including multi-family, homeownership maintenance, home buyer assistance, and homeless assistance. However, they suggested establishing a priority of which types of affordable housing are needed in the community, and at what amounts. Research the market demand for affordable housing in part by checking the Housing Finance Authority of Leon County's Housing Study. Also the Tallahassee Housing Authority has available statistics on the need for affordable housing.

C. Use a community land trust (CLT) to increase opportunities for homeownership.

A CLT refers to the vehicle of separating land from house for the purpose of transferring title to the house without selling the land. It also denotes an organization that holds title to the land and manages the ground leases on community land trust properties. Such affordable housing may be rented or sold to a low income buyer together with a 99 year leasehold interest in the land.

The CLT ensures that the home will be affordable and available for other low income households in the future. The terms of the 99 year ground lease place limitations on the resale of the home, preventing resale to a household that is not eligible under the terms of the ground

lease (which may provide that the home must be sold to very low, low, or moderate income households). The lease includes a “resale formula” that determines the maximum allowable price. In the typical ground lease, if a family member who inherits the CLT property is not income eligible, he or she may continue to live in the property but can only sell it to someone who is income eligible at the restricted resale price.

In addition to providing construction financing and SHIP down payment assistance to buyers of CLT homes, the City and County may support CLT activities by providing land on which the housing can be built, and ongoing administrative support to the CLT that is providing services which would otherwise fall upon the local government to perform. The Community Land Trust can be seeded with donated parcels of government owned land that are appropriate for affordable housing development, with affordable units scattered throughout the community. More information on CLTs is in Appendix E.

#3 – Consider engaging organizations that promote best practices in affordable housing models.

A. Form a partnership with the nonprofit consulting group Purpose Built Communities to help integrate the workgroup’s recommendations into the Orange Avenue public housing redevelopment project.

David Edwards and Kathleen Brownlee from Purpose Built Communities met with the Workgroup in April. Purpose Built Communities is a consulting group that provides its services for free to local neighborhood leaders interested in implementing the Purpose Built comprehensive community revitalization model in their community. Mr. Edwards gave a brief overview of the origins of the organization, which started in 1993 in Atlanta, GA and soon started work in New Orleans, LA. The affordable housing new construction work in these communities focused on implementing several strategies that provided a holistic approach to transforming the community, including:

- Mixed income housing of high standards.
- Ensuring that the size of the development was large enough to have a widespread impact on the neighborhood.
- The impact includes a high quality cradle to college educational pipe line through revitalizing or building schools and expanding educational support services.
- The impact also includes community wellness programs such as health centers, fitness centers, and urban gardening opportunities that are tailored to the community needs.

Mr. Edwards discussed some of the community successes from the Purpose Built Communities model, including:

- Substantial and measurable educational improvements for the neighborhood children.
- Attraction of businesses to the community.
- Increased home values in the community.
- Increases in access to retail options.

- Increases in resident incomes.

Purpose Built Communities currently has 16 up and running communities and is in conversation with 38 other communities. The prospective communities are in the preliminary phase, in which each community is under evaluation for its potential for success. This process can take anywhere from 18 months to 3 years or more.

Mr. Edwards emphasized that the continued success and sustainability of the redevelopment project hinges on the “Community Quarterback”, which is typically a non-profit organization that develops and implements the components of the Purpose Built Communities model and raises funds to support the neighborhood efforts. He stated that the Community Quarterback team must collaborate with high capacity local leaders who want to make sure the project is successful.

B. City, County, and housing developers should pursue philanthropy and corporate sponsorship to contribute to Orange Avenue re-development projects.

The recommendation should be applied to Orange Avenue re-development projects, as well as affordable housing initiatives community-wide. It involves identifying citizens and those in the business community who want to participate in corporate sponsorship opportunities. Sponsors can volunteer to help build or maintain playgrounds, a transit center, a community center in a multifamily property, or other components of an affordable housing development.

The City, County and business community should create a community based recognition program for local businesses that support low income housing, and homelessness issues. This could possibly be an activity of the entity encouraging collaboration between housing professionals, which is another recommendation of the workgroup. Additional tasks include:

- Establish a list of potential sponsors and pair them with development projects as they arise.
- Take information from sponsors on what types of projects they want to be involved in to help encourage the building of a long and healthy partnership between the sponsor/developer and property manager.

C. Fund the Orange Avenue/Meridian Place Making project in Blueprint 2020 in the first year of the new funding cycle.

One of the key issues with the redevelopment of the Orange Avenue corridor is the current flood plain designation. The Orange Avenue/Meridian Place Making project in Blueprint 2020 includes enclosure of the east-west ditch, enhancements to the storm water pond on the south side of Orange Avenue and the construction of the new Star Metro Station at Orange and Meridian.

The workgroup recommends that this project be funded in the first year of the new funding cycle for several reasons. First, a major infrastructure commitment in the South City area would be a clear sign that local government is supportive of the redevelopment of this area. Second, solving the flooding issues and then having FEMA reevaluate the flood plain will go a long way toward attracting outside development money to the area. It is difficult to get

commercial developers to build in a flood plain. The workgroup's review suggests that this project meets all criteria for priority ranking. This project is critical to the affordable housing development necessary to replace the Orange Avenue Apartment complex.

D. Support the agencies working in the area around the Orange Avenue public housing redevelopment project to improve or produce single family homeownership with financial assistance and incentives from local government and other funding sources.

This recommendation is to support and encourage a mix of single family homeownership along with affordable rental housing in this area.

#4 – Recommendations that promote the development of permanent supportive housing to help end homelessness.

A. The workgroup recommends that the Tallahassee Housing Authority reserve a portion of its Section 8 units and vouchers for Permanent Supportive Housing (PSH).

Permanent supportive housing is not needed by all homeless individuals and households. An explanation of permanent supportive housing is included in Appendix C. Using a nationally recognized tool – the USICH Supportive Housing Opportunities Planner (SHOP Tool) – and the Big Bend CoC's data, the number of PSH needed this year is 126. Assuming no changes in the system, next year 138 are needed and the following year 153. See the spreadsheet of calculations in Appendix C.

This tool recognizes the fact that the PIT is an undercount for several reasons, including the fact that some people needing PSH might be in jails, institutions, hospitals, etc. The tool also reflects other factors. For a full description of the tool, assumptions, and data, see <https://www.usich.gov/tools-for-action/supportive-housing-opportunities-planner-shop-tool>

All of the community PSH slots are full for individuals and there is very little movement in PSH so it is not likely that the current PSH slots would become available to the identified 81 individuals. The community needs additional units to meet the need for permanent supportive housing.

Note: Using the homelessness specific data, and this data only includes those that have entered the homeless system in the area and have been assessed through Coordinated Entry, there are 13 homeless families who were assessed and identified as most appropriate for PSH. The breakdown of family size among those 13 families is 3 households with 3 people in each household, 2 households with 2 people in each, 3 households with 4 persons in each, 1 household with 5 persons, and 4 households where the size of the household is unknown. Currently, there are between 13 and 15 units of PSH for families but there is little movement in that program and it is unlikely that the 13 families needing housing now will be able to move into PSH.

B. Utility providers and housing assistance providers should identify options/opportunities to solve a barrier for some renters transitioning out of homelessness who have large past unpaid utility bills.

This might include a payment plan that is implemented as part of permanent supportive housing case management. Some of this is prevention and might involve utility staff increasing their level of intervention for renters who are part of homeless-related housing initiatives, to help them avoid large bills. Capital Area Community Action Agency and other housing assistance agencies may be helpful in this effort.

C. To the maximum extent feasible, waive concurrency fees, building permit fees, and utility connection fees for affordable housing projects, provided those savings are passed onto the affordable housing residents.

When the development is PSH or other housing serving extremely low income populations it every concession offered by local government is needed, as there is a large gap between what the residents can pay and the cost of development. The caveat for this recommendation is in regard to waiving fees for affordable housing developers who are profit-driven. In that case, the entity waiving the fees should ensure that the cost savings from the concession will be assisting the development or the residents in the development, rather than increasing profit to the developer.

D. Provide education for landlords and case managers to reduce barriers for renting.

A recent example of this type of education included the Tallahassee Housing Authority's 2015 landlord symposium. The Florida Housing Coalition produced the Landlord Collaboration Guidebook which is accessed on line at <http://www.flhousing.org/wp-content/uploads/2012/03/Landlord-Collaboration-Guidebook-2016.pdf>. This is a resource that should be shared with any organization that helps people who are homeless move out of homelessness and into their own rental units. The recommendations are general enough to be used with a wide variety of housing interventions and programs, and for any demographic or subpopulation of homelessness. This guidance will help organizations offering various forms of assistance, including general housing guidance, rapid rehousing, and permanent supportive housing rental assistance or master leasing projects.

#5 – Recommendation for a structure to sustain the collaborative effort of the Affordable Housing Workgroup.

A. Assign ongoing Workgroup tasks to the newly created Tallahassee-Leon County Affordable Housing Leadership Council.

As noted in Section 1 above, the Workgroup recommends the creation of the Tallahassee-Leon County Affordable Housing Leadership Council (Leadership Council) to sustain and promote collaboration and coordination of affordable housing stakeholders. The Leadership Council would also serve as an entity for networking and leveraging of affordable housing resources. If this recommendation is accepted, the newly formed Leadership Council could serve as the structure to sustain the collaborative effort of the Workgroup.

B. Alternatively, in the event that the Leadership Council is not created, the Workgroup recommends that the structure to sustain the collaborative effort of the Workgroup lie with the respective Leon County and City of Tallahassee AHACs.

Under this alternate recommendation, the City of Tallahassee Affordable Housing Advisory Committee (AHAC) and the Leon County AHAC would jointly meet to constitute the Tallahassee-Leon County Collaborative Affordable Housing Taskforce.

Staff by either the Leadership Council or the AHACs, the Tallahassee-Leon County Collaborative Affordable Housing Taskforce (Taskforce) should meet jointly at least one time per year for the dual purposes of:

1. Evaluating the implementation of the Affordable Housing Workgroup recommendations adopted by the City and County Commissions; and
2. Considering whether any of the incentive strategies adopted in only the City Local Housing Assistance Plan (LHAP) or only the County LHAP should be implemented in both jurisdictions.

The Taskforce will be jointly staffed in the same manner as the respective Affordable Housing Advisory Committees. AHAC staff will generate and deliver the Taskforce Report, respectively to the City and County Commissions, within 90 days from the initial annual meeting of the Taskforce.

Note: The Taskforce duties should not be so great as to require the AHACs to meet together for more than two or three additional times per year for this purpose.

#6 – Recommendation for Dedicated Revenue for Affordable Housing.

A. Increase funding for affordable housing with a new local dedicated source of revenue that is responsive to identified affordable housing needs.

The workgroup suggests several sources of revenue for consideration:

- 1) Local housing bonds backed by future tax revenues. General obligation bonds are an approach historically and frequently used in cities such as Seattle and San Francisco, and more currently in Miami, with the approval in July by the City Commission of a \$100 million dollar bond for affordable housing and economic development, subject to voter referendum.
- 2) Dedicated sales and property tax, such as “Penny for Pinellas” which currently provides local funds for affordable housing in Pinellas County, also subject to a voter referendum.
- 3) Economic Development sales tax extension funds.
- 4) Transient Occupancy Tax (TOT). Leon County currently has a 5% TOT; using a portion of the TOT for affordable housing or increasing the TOT for affordable housing.
- 5) Linkage Fee. – A linkage fee is an assessment for the impacts of commercial or industrial development, and infrequently, for high- end market rate residential development. The fee is deposited into a housing trust fund for others to use in building affordable housing. Cities such as Jupiter, Winter Park and Coconut Creek

have implemented linkage fees in Florida. A linkage fee is assessed per square foot, and typically varies depending upon the use. A professional nexus study is used to determine the amount of linkage fees to charge on each type of development. A one page explanation of linkage fees is found in Appendix D.

B. The Workgroup recommends that the County and City AHACs explore the options presented for a local dedicated funding source for affordable housing.

The AHACs should include within this process, affordable housing stakeholders as well as representatives of the development, real estate, and banking community. The AHACs should work should include the available economic analysis that shows how investing in affordable housing provides positive outcomes and economic impacts. Information about the economic benefits of affordable housing are found in many places, including the Florida Public Policy Institute, the Florida Housing Finance Corporation, and the Florida Housing Coalition. In the event that the Leadership Council is adopted, this entity would also be using research about the economic benefits of affordable housing.

C. The Workgroup recommends that the AHACs consider how the City's current housing trust fund might be used as the collection point for any local dedicated source of revenue.

The Affordable Housing Trust Fund (AHTF) was established by the City Commission in 1992 to provide City funding to support the City's affordable housing objectives. The AHTF provides grants and loans to support projects which preserve or expand the City's affordable housing inventory. Priority is given to projects which can leverage other public and private funding. All uses of the AHTF are approved by the City Commission.

D. The Workgroup recommends that the City and County prioritize securing full appropriation of the Sadowski state and local housing trust funds every year.

The Workgroup recognizes that the City and County already have a dedicated revenue source for affordable housing from the William E. Sadowski Affordable Housing Act. This legislation that passed in 1992 provides annual grants to the City and the County on a population based formula for the SHIP program. SHIP can be used for homeownership, rental, and ongoing rent subsidy for rapid rehousing homeless.

For the past fifteen years, the legislature has swept a portion of the Sadowski funds, and in particular, the SHIP funds away from affordable housing and into the general revenue fund. In the last legislative session, for example, approximately half the monies that were dedicated from the Sadowski Act to the SHIP program were swept by the legislature into the GR fund of the state. In FY 2017-18, Tallahassee is expected to receive \$825,065; Leon County is expected to receive \$426,361. Without the sweep, Tallahassee would have received approximately \$1.65 million and Leon County would have received \$852,700.

The projected revenue from the Sadowski Act in FY 2018-19 is even higher than in this fiscal year. Therefore, to increase funding for the City and County without having to raise taxes or issue general revenue bonds, the City and County should adopt a plan of advocacy that helps ensure that the SHIP funds are not swept by the legislature. The City and County hire lobbyists

to advocate for a variety of interests during the Florida legislative session, and their lobbying contracts should explicitly state that the highest lobbying priority is to fully appropriate the Sadowski State and Local Government Housing Trust Fund monies for housing. This is the City and County's most significant dedicated revenue source for affordable housing production. In the event that the Leadership Council is adopted, this entity should also join in advocacy efforts.

July 5, 2017 Meeting to Discuss Financing Options for the Orange Avenue Apartments Redevelopment Project

Agencies Represented:

Leon County Government

Tallahassee Housing Authority

Housing Finance Authority of Leon County

Tampa Housing Authority

Columbia Residential

- Representatives of Leon County Government met with representatives from the Tallahassee Housing Authority (THA), the Housing Finance Authority of Leon County (HFA), and Columbia Residential (Columbia) to discuss the redevelopment of THA's Orange Avenue Apartment Complex and financing opportunities that may be available to fund the project.
- The Orange Avenue Apartments is a HUD-designated public housing development built in 1971. The facility is located on approximately 29-acres and has 200 apartment units. According to the THA representatives, the structural facility amenities within the apartments are dilapidated with significant upgrades required to the appliances, plumbing, and HVAC system. Many of the residents of Orange Avenue Apartments are second or third-generation low-income tenants.
- THA is planning to redevelop Orange Avenue Apartments into mixed-income multi-family units. Discussions also included whether the plan would incorporate a mixed-use facility.
- Columbia intends to utilize the development standard for occupancy with 30% reserved for market rate, 30% for tax credit, etc.
- Columbia was selected by THA to develop a master plan for the Orange Avenue Apartments and the surrounding corridor from Adams Street to Blair Stone Road.
- Columbia began work on July 1 and is projected to complete the master plan in six months. Over the next six months Columbia intends to accomplish the following:
 - Review any and all long term plans that have already been developed along the Orange Avenue Corridor

- Interview community stakeholders to listen and learn of the community needs and issues; stakeholders include, but are not limited to: tenants, residents in surrounding neighborhoods, surrounding businesses, surrounding churches, human service agencies, Leon County, City of Tallahassee, Department of P.L.A.C.E. (Planning Department and Blueprint), Florida A&M University, Leon County School Board, Department of Veterans Affairs, etc.
- Conduct three workshops/charettes over three months with votes taken to determine stakeholder consensus on the appropriate design for the redevelopment of Orange Avenue Apartments
- Develop relocation plans for the current residents, initial estimated project costs and timelines
- Understand current public infrastructure and capacity
- As part of its effort to develop the master plan, Columbia is also working with:
 - Moore Bass Consulting
 - Pinnacles Construction Support Group
 - JHP Architecture and Urban Design
 - Affordable Housing Consulting
- There was considerable discussion among the attendees about financing opportunities that may be available for the project; the group acknowledged that the discussion was preliminary and the potential costs would be determined by the master plan.
- Financing options broadly discussed included:
 - Tax Credits
 - Low Income Housing Tax Credits (LIHTC) through the Florida Housing Finance Corporation maybe an option; the 9% tax credit is the most attractive, but also the most competitive
 - Bonds
 - Could be issued through the HFA of Leon County
 - THA plans to reach out to City of Tallahassee regarding the issuance of general obligation bonds for infrastructure and affordable housing
 - State Apartment Incentive Loan (SAIL) Program
 - State program that offers gap financing for the development of rental housing that could be a source of funding for the Orange Avenue Apartments

- Blueprint Sales Tax

- There are a number of infrastructure projects near and/or around the Orange Avenue Apartments that have been identified as part of the sales tax extension

- Project-based Rental Assistance

While HUD maintains ownership of the land, the THA has indicated it plans to hold the bonds on the structure and will utilize tenant payments as one source of bond/loan payment.

- Other considerations:

- CDBG
 - HOME
 - Grants through THA as loans

- Purpose Built Communities is working with Columbia Residential on the development of the master plan as it evaluates the feasibility to apply its model to the Orange Avenue Apartments and identify potential community champions and/or community quarterbacks.