

Leveraging Public Resources for Greater Impact: Livable Manatee Affordable Housing Incentive Program

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August 28, 2018



Who is affordable housing?

- Average Manatee County Salary for line employees—\$43,776.83
 - Librarian \$58,300
 - Law Enforcement Officer \$49,785
 - Dental Assistant \$35,896
- Average pay raise 3%



How much can the "middle" afford?

- *Area Median Income: \$65,500* (2017)*

<u>% AMI</u>	<u>Annual Income</u>	<u>Monthly</u>
80% AMI	\$52,400.00	\$1,310.00
100% AMI	\$65,500.00	\$1,637.50
120% AMI	\$78,600.00	\$1,965.00

**For family of 4*



How much can the "middle" afford?

- Households making 100% AMI can afford
 - \$175,000 sales price of a home
 - Monthly payment \$1,289-\$1,400
 - Principal, interest, taxes and insurance at 4.75%, 30 yrs
- Households at 120% AMI can afford
 - \$225,000 sales price



Snapshot Cost of Housing

- The median price for an existing single-family home in Manatee County is \$300,000
 - Feb 2018, up 12% from last year
- One bedroom apartments in Bradenton rent for \$1006 a month on average and two bedrooms rents average \$1196
 - Up 4% from last year



What is Affordable Housing?

- Big "A" Affordable vs. Little "a" affordable—
subsidized housing vs. housing for the workforce (or naturally occurring)
 - *A strong economy needs service and essential workers*
- Affordable housing is more than a social or moral case, it is a business case
 - *Studies show better school achievement, more productive employees, stronger neighborhoods (tax base)*

*We want to encourage both
little “a” and Big “A” affordable*



Manatee's 8-point Strategy

- Developers—What will it take to build and sell below \$175k?
- Employers—How do we engage them to provide solutions?
- Banks—Which financial institutions can provide more favorable loan products?
- Innovation—What new materials and processes are available?
- LDC—What is needed for more density, smaller lots/ units?
- Fees—Can we “right-size” impact fees?
- Land—How can we reduce the cost of land? Can we do a Land Trust? County surplus properties?
- Financial Incentives—What are funding alternatives, new sources/programs?



Livable Manatee Program

- Encourages new construction of affordable units within mixed-income developments, scattered site and infill development in both homeownership and multi-family rental projects
- Pays 100% of county impact fees (libraries, public safety, law enforcement, parks and natural resources, educational facility fees (schools) and facility investment fees (water and sewer)
- Minimum of 25% of units to be affordable



Livable Manatee—Homeownership

- Unit must be for sale and includes fee simple properties, single family and townhomes
- Homebuyer must be at or below 120% of AMI
- Sales prices of the unit must not exceed established guidelines set in County's Local Housing Assistance Plan (LHAP) and reviewed every three years
- Unit cannot exceed 1,700 square feet
- Program is available in unincorporated county
- Maximum of 33% of the units in a new subdivision over 18 units will be incentivized
- Maximum total incentive per mixed-income development is \$500,000 (exceptions based on Board approval)



Livable Manatee—Homeownership

- Developer submits an application for designation as affordable prior to building permits
- Affordable housing designation request reviewed, approval letter with rapid response certificate issued and reservation of funding occurs
- Land Use Restriction Agreement (LURA) is recorded prior to Certificate of Occupancy (CO) and runs with property for 10 years
- Homebuyer is approved for income eligibility prior to CO
- County pays for impact fees and FIF at CO (administrative process)



Livable Manatee—Rental

- Developer submits an Affordable Housing Designation application prior to Site Plan application
- Affordable housing designation request reviewed, approval letter with rapid response certificate issued and reservation of funding occurs subject to Developer having C.O. within 2 years
- LURA is recorded prior to approval of Final Site Plan (FSP)
- County pays for impact fees and FIF at CO per building (administrative process)
- Developer's management company submits tenant applications for approval at time of lease up with supportive documentation for income eligibility determination
- Once lease up is complete, County monitors project annually for term in LURA



Livable Manatee—Rental

- Rents do not exceed Florida Housing Finance Corporation (FHFC) maximums per bedroom count and income for household size
- Mix of low and moderate-income units are encouraged. However, no more than 50% of the affordable set-aside units can serve between 81-120% AMI. Remainder of affordable units should serve 80% AMI and below
- Projects in the Urban Service Area boundary or within ¼ mile of MCAT bus route in unincorporated Manatee County
- New construction preferred; residential conversions allowed
- Maximum of 50% of the units in a project will be incentivized
- Maximum total incentive per project is \$500,000
- Land Use Restriction Agreement (LURA) required
 - Up to \$100,000 in incentives-LURA is for 15 years
 - \$100,001 and \$300,000-LURA is for 20 years
 - Greater than \$300,001-LURA is for 25 years



Livable Manatee—Funding

- Initial \$3 million from General Fund transferred to “Affordable Housing Subsidy Fund”
- Requested additional \$500k for FY19



Livable Manatee Program—Status

- Program approved August 2017
- As of August 2018, 4 approved HO units
- 20 HO units in the pipeline
- 3 rental projects (198 units) in pre-development stage
- 3 homeownership projects in pre-development stage



Livable Manatee Program—Status

- Lots of developer interest
- Challenge is finding land
 - Infill lots
 - Correctly zoned for density
- Interest in “creative” housing
 - Container homes



Livable Manatee Home



1,200 Square Feet
2 bed/2 bath
Sales Price:
\$160,000
Buyer: Low income
80% AMI
SHIP
Downpayment:
\$28,000
Impact Fee
Reimbursement:
\$11,909

Livable Manatee Home



Livable Manatee Home

