

Affordable Housing

Presentation to the Senate Committee on Community Affairs

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OPPAGA

Office of Program Policy Analysis and Government Accountability

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Presentation Overview

Scope

As directed by Section 420.0003(3)(d), *Florida Statutes*, OPPAGA has conducted two of three evaluations on housing affordability

Evaluation	Deadline
Other state innovative affordable housing strategies	December 15, 2023
Florida local government affordable housing policies	December 15, 2024
Florida rehabilitation, production, preservation, and finance programs	December 15, 2025

Presentation

- Background
- Other states' strategies
- Local government housing policies

Background

Housing Affordability



The statutory goal of Florida's state housing strategy is to ensure that every Floridian has safe, decent, and affordable housing

Affordable Housing

Florida statute defines housing affordability as a percentage of income spent on housing

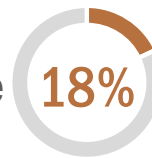


≤30% of income spent on housing is affordable

Cost-Burdened



30%-50% of income



of Florida Households in 2022

Severely Cost-Burdened



≥50% of income



of Florida Households in 2022

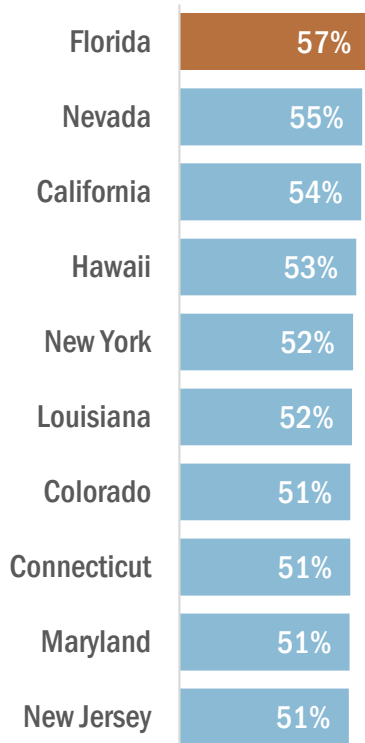
Florida's Cost Burdened Renters and Homeowners



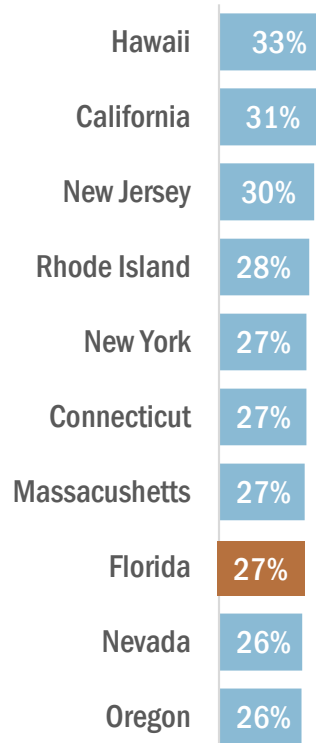
Over half of Florida's renters are cost-burdened; Miami-Dade County has the highest proportion of cost-burdened renters and homeowners



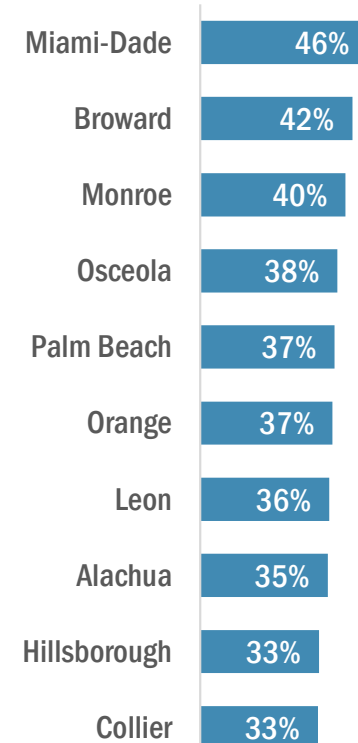
Cost-Burdened Renters (2021)



Cost-Burdened Homeowners (2021)



Florida Counties with Highest % Cost-Burdened Renters and Homeowners (2022)

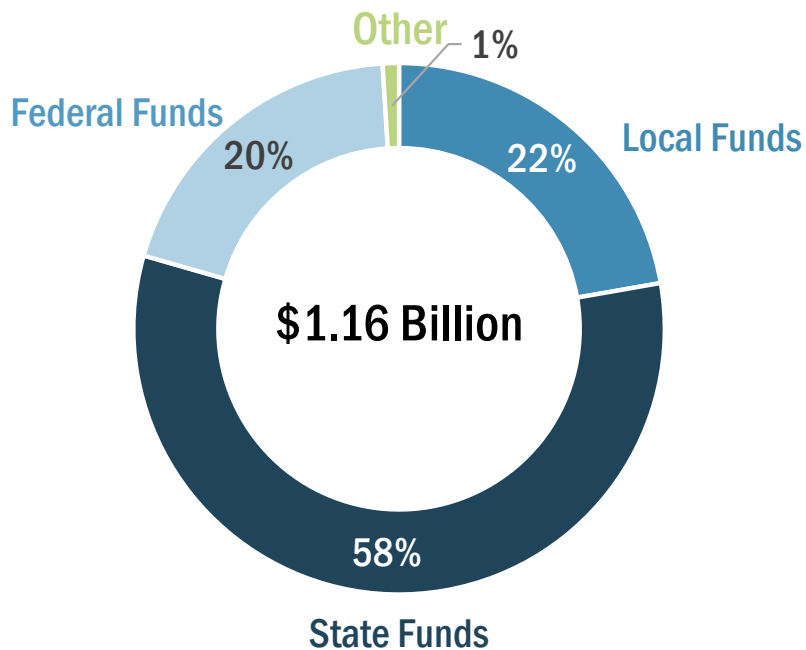


Local Government Housing Expenditures

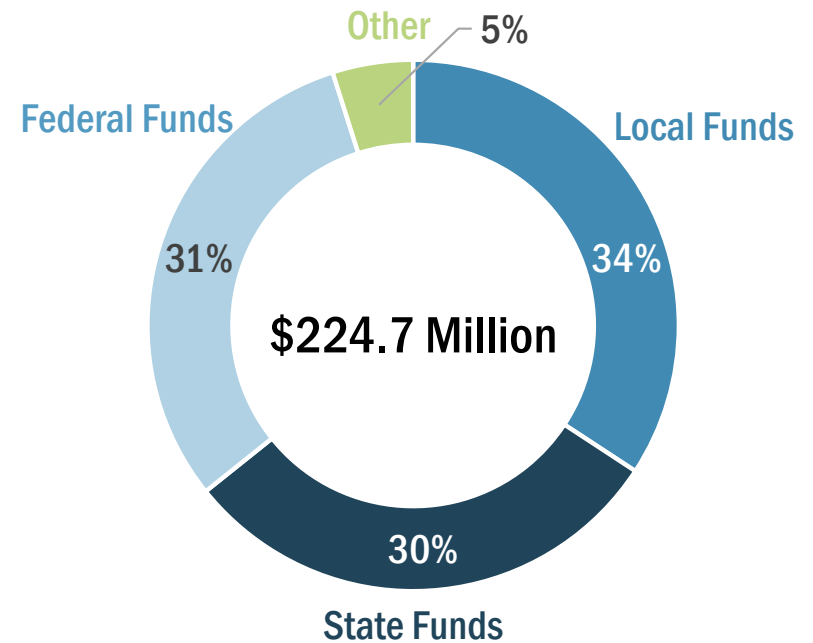


County and municipal governments reported using multiple funding sources to support affordable housing activities in Fiscal Year 2023-24

County Governments



Municipal Governments



Housing Programs



Florida administers state and federal programs through the Department of Commerce and the Florida Housing Finance Corporation



Florida Programs

Programs administered by the Florida Department of Commerce

- Community Development Block Grant
- Low-Income Energy Assistance Program
- Weatherization Assistance Program

Programs administered by the Florida Housing Finance Corporation

- State Housing Initiatives Partnership Program (SHIP)
- State Apartment Incentive Loan Program (SAIL)
- Low-Income Housing Tax Credits
- Homebuyer Loan Programs
- Hometown Heroes Program

✓ Program Eligibility

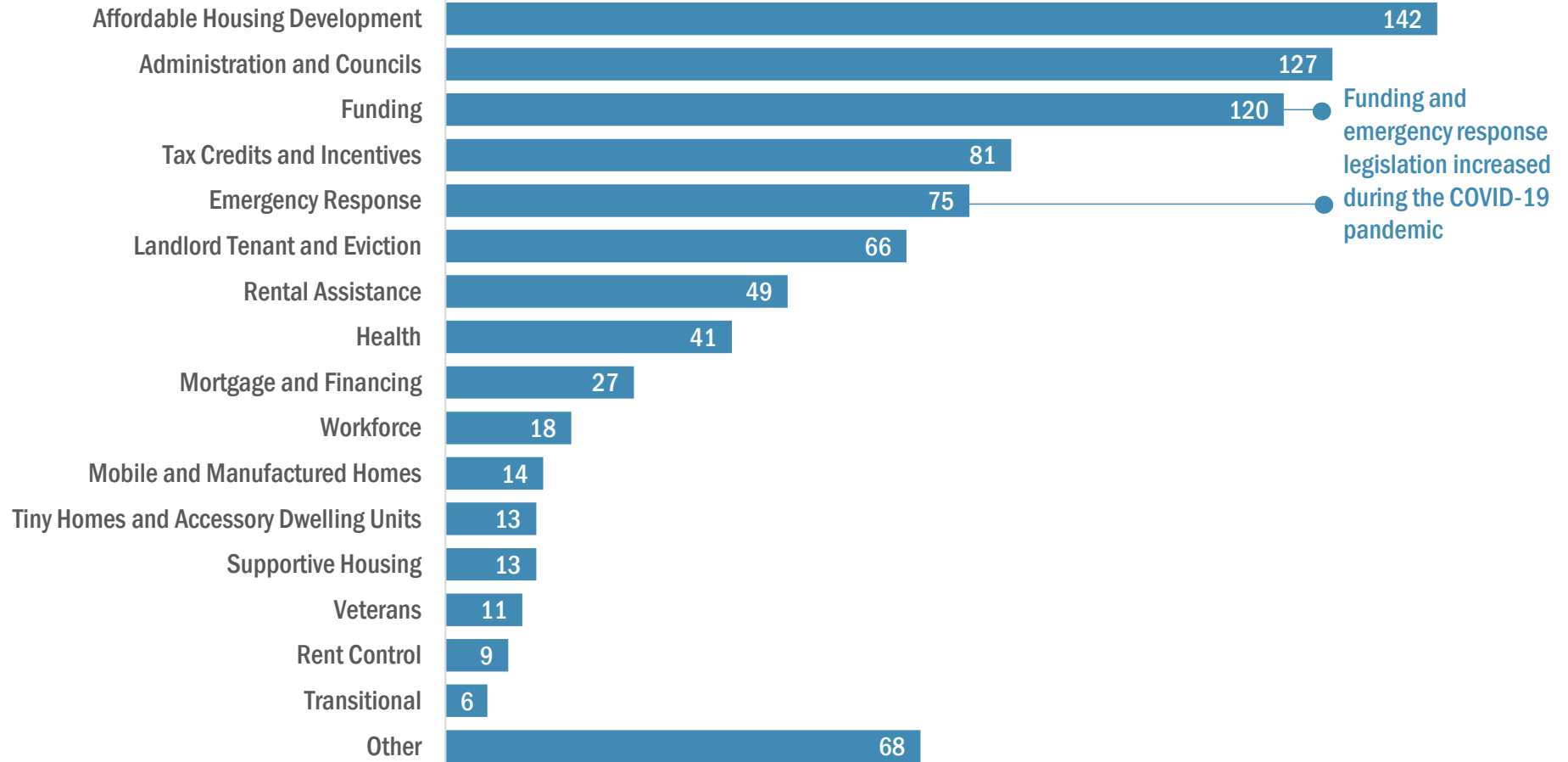
Income Level	Percentage of Area Median Income
Extremely Low	Up to 30%
Very Low	30.01% to 50%
Low	50.01% to 80%
Moderate	80.01% to 120%

Other States' Recent Affordable Housing Legislation



From 2019 to 2023, most housing laws enacted across the United States were related to the development of affordable housing

Number of Recently Enacted Laws In Other States (2019-2023)



Florida's Recent Affordable Housing Legislation



The Legislature passed the Live Local Act in 2023 and establishes general policies for housing production and rehabilitation programs, public-private partnerships, preservation of housing stock, and unique housing needs, with an emphasis on assisting the neediest persons

\$ Funding

- \$711 million to support affordable housing
- Created Live Local Tax donation program
- Sales tax refund paid on building materials to construct Florida Housing Finance Corporation funded affordable housing units

Housing Strategy

- Requires that state and local governments collaborate with communities and the private sector to consider and implement innovative solutions
- Mixed-income projects that facilitate more diverse and successful communities
 - Utilizing public land to develop affordable housing

OPPAGA Evaluations

- Required OPPAGA to conduct evaluations every 5 years on the following topic areas
- Other states' innovative affordable housing strategies
 - Local government housing policies in Florida
 - State housing, rehabilitation, production, preservation and finance programs

Other State Strategies

Other State Innovative Strategies



OPPAGA identified 13 innovative affordable housing programs administered in other states and categorized the programs as high, medium, or low potential for Florida implementation

Program Search

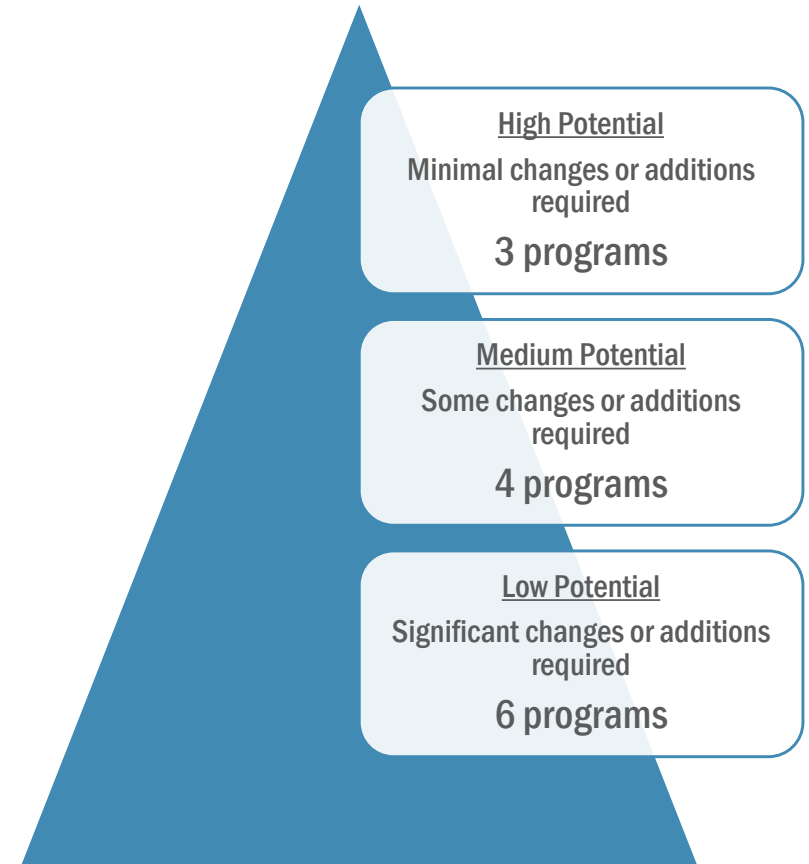


OPPAGA reviewed 1,046 programs administered by 64 state housing agencies in all 50 states

Excluded programs that met any of the following criteria

- Federal programs
- Programs similar to existing Florida programs
- Programs for temporary supportive housing for people experiencing homelessness

Identified Programs



High Potential Programs



OPPAGA identified three programs with high potential for Florida implementation

Connecticut Incentive Housing Zone Program

Description

- Allows municipalities to create incentive housing zones in eligible locations
 - transit facilities
 - area of concentrated development
 - area near existing, planned, or proposed infrastructure

Effectiveness

- Implemented in 2008; as of 2020, 39 municipalities were finalizing incentive housing zones

Florida Implementation



- Local governments could designate areas to focus the use of SHIP funds
- Low cost to administer

Illinois Healthy Housing, Healthy Communities Partnership

Description

- Funding to partner with healthcare providers to build affordable housing that also addresses inequities in community health

Effectiveness

- Recently implemented; no effectiveness data available

Florida Implementation



- Florida Housing Finance Corporation is already developing partnerships with healthcare providers
- Grant funding and staffing costs

New York Plus One Accessory Dwelling Units Program

Description

- Accessory dwelling units are additional living quarters typically on single-family lots that are independent of the primary dwelling unit
- Funding to help build new accessory dwelling units or improve existing units

Effectiveness

- Recently implemented; no effectiveness data available

Florida Implementation



- Florida's Catalyst Program provides technical assistance for accessory dwelling units
- Cost for long-term administration, compliance, and monitoring

Local Government Housing Policies

SHIP Requirements and Funding



The State Housing Initiatives Partnership Program funds local governments to produce and preserve affordable housing through partnerships



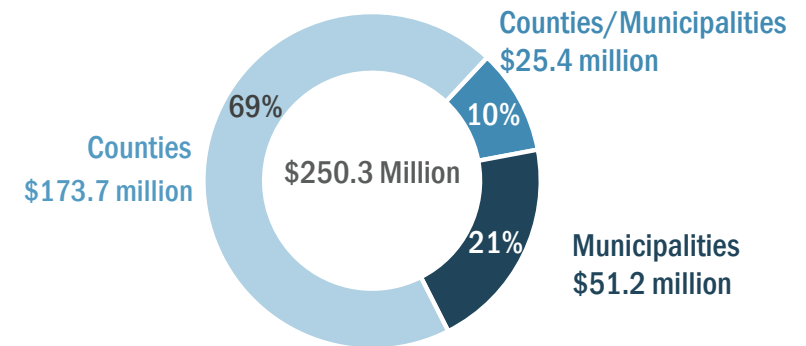
SHIP Requirements

- Local governments submit local housing assistance plan that includes local housing assistance strategies
- Each assistance strategy must include
 - Amount of SHIP funds
 - Estimate of households served
 - Maximum funding per unit
 - New construction
 - Rehabilitation
 - Non-construction activities
 - Maximum sales price of units
- Recipients must reserve funds for specific purposes
 - 65% or more for homeownership
 - Up to 25% for rental housing
 - 75% or more for construction, rehabilitation, or emergency repair
 - 20% or more to serve persons with special needs

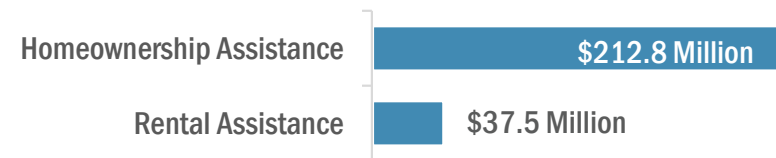


SHIP Funding Fiscal Years 2017-18 Through 2019-20

SHIP Expenditures



SHIP Fund Usage

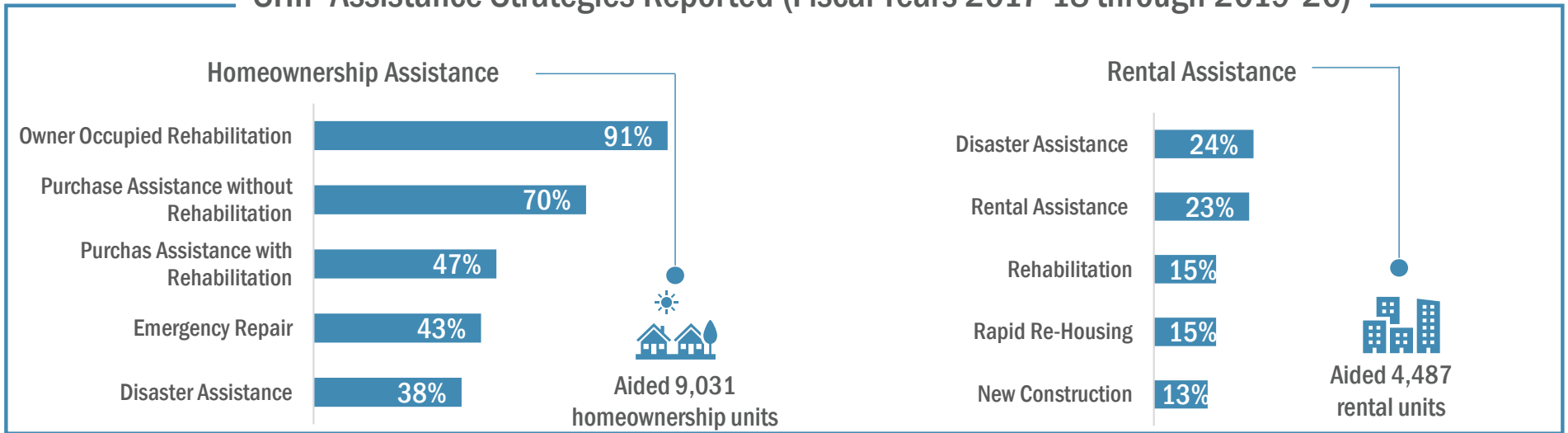


SHIP Assistance and Incentive Strategies



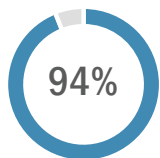
Local government use of SHIP funds has a positive impact on communities through assistance and incentive strategies that provide access to affordable housing for very low to moderate income families

SHIP Assistance Strategies Reported (Fiscal Years 2017-18 through 2019-20)

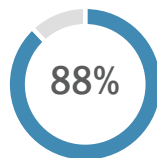


SHIP Incentive Strategies Reported (Fiscal Year 2020-21)

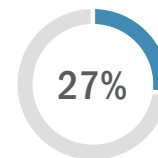
Ongoing review process



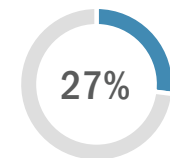
Utilizing expedited permitting



Printed inventory of public owned lands



Impact fee modifications

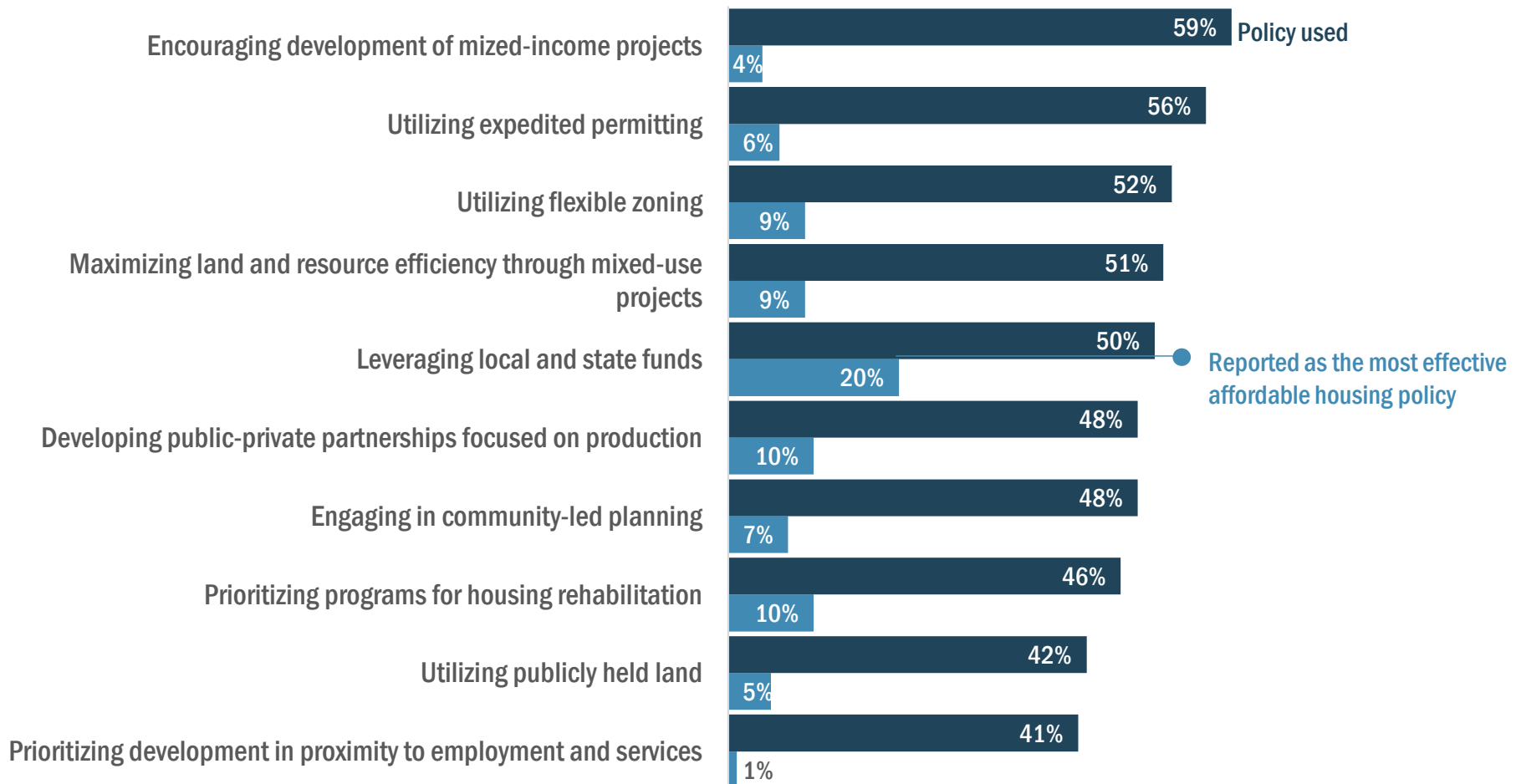


OPPAGA Survey



OPPAGA surveyed county and municipal governments to gather information on local affordable housing policies

Top 10 Most Reported Housing Policies and Related Effectiveness



Best Practices



Survey respondents and OPPAGA identified best practices in affordable housing policies for those identified as most effective



Leverage local and state funds to achieve the maximum federal, local, and private commitment of funds

- Provide gap funding
- Provide local government matching funds for developers applying for the Low-Income Housing Tax Credit Program
- Provide down payment assistance, e.g., for first-time home buyers



Prioritize programs for housing rehabilitation

- Prioritize structural, large cost items for housing rehabilitation (e.g., roof)
- Incorporate hazard mitigation and energy retrofits into rehabilitation programs



Develop public-private partnerships focused on production of affordable housing

- Designate affordable housing staff to minimize project delays
- Donate or use public land for affordable housing

Best Practices



Survey respondents and OPPAGA identified best practices in affordable housing policies for those identified as most effective



Use flexible zoning

- Allow accessory dwelling units
- Use mixed residential and commercial zoning to encourage high housing density
- Reduce minimum lot size requirements
- Allow multifamily zoning without requiring it to encourage high housing density



Maximize land and resource efficiency through mixed use projects

- Integrate essential services with affordable housing
- Maintain high residential density in mixed-use projects or provide ample residential space
- Rezone undeveloped parcels

Interlocal Cooperation



Some local governments reported interlocal cooperation on affordable housing policies

Types of Interlocal Cooperation

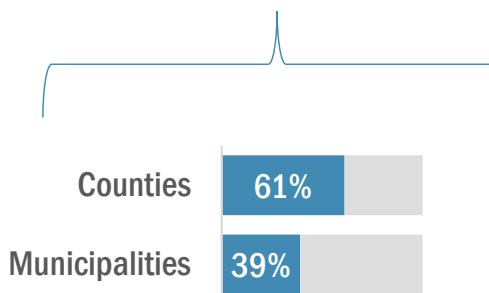
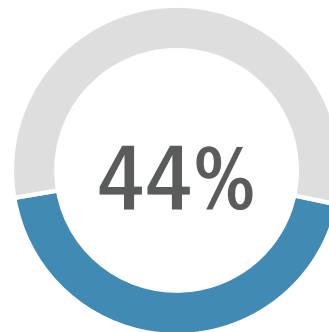
Formal Agreements

- Memorandums of understanding
- Contracts
- Interlocal agreements

Informal Agreements

- Joint initiatives
- Shared programs

Respondents Reporting Cooperating with Local Governments



Interlocal Cooperation Activities

- Respondents reported promoting and administering affordable housing programs and services
- 60% reported interlocal cooperation was effective for supporting affordable housing
 - More effective use of funds
 - Increased effective administration and communication
- 21% reported factors that hindered interlocal cooperation
 - Cost of land and construction materials
 - Local opposition to development
 - Lack of funding

Questions

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FLORIDA LEGISLATURE OFFICE OF PROGRAM POLICY ANALYSIS AND
GOVERNMENT ACCOUNTABILITY

OPPAGA supports the Florida Legislature by providing data, evaluative research, and objective analyses that assist legislative budget and policy deliberations.