City of Stuart Housing Report

Suzanne Cabrera Consulting
May 15, 2018

Background

The City of Stuart received the Department of Economic Opportunity (DEO) Competitive Florida Partnership Grant, which is a two-year program that provides technical assistance and support from the DEO to improve the communities through an asset-based economic development strategy.

One portion of that grant requires development of an affordable action housing plan recognizing the inextricable link between housing and economic development. Without a sufficient supply of affordable housing, employers can be at a competitive disadvantage because of their subsequent difficulty attracting and retaining workers. Housing costs are among the top five factors affecting where households choose to live and work.

The cost of housing in most urban areas in the U.S. has increased at a significantly faster rate than incomes in the last few decades. This trend has created a jobs/housing mismatch that is a big concern for business considering relocation to the area or in some cases away from the area if the expanded workforce cannot be adequately housed. The jobs/housing mismatch has more severe consequences for low-wage employees, who may be forced to choose either substandard housing or face long commute times which affects their quality of life.

To help curb this problem, business and housing groups need to work together to plan for adequate housing. Local, state, and federal policies should also advocate for housing policies that facilitate the development of housing units serving their workforce. This report will detail best practices and recommend strategies that will further the goal of supporting economic growth and development while providing housing that is appropriate, affordable and sustainable for its workforce.

Defining the Issue

Defining the population covered by “affordable” or “workforce” housing is important to understanding the issue. The term “affordable” housing carries the connotation of public or Section 8 housing. Many low wage earners fit in this category and have access to resources for housing through a public housing authority development/voucher or be able to qualify for a LIHTC (Low Income Housing Tax Credit) development. The “workforce” category more broadly covers wage earners who may not have access to any type of assistance or subsidy, but are often cost burdened. The term “attainable” housing has come into favor because it covers all housing types and simply refers to the notion that an “attainable” home is one where people spend no more than 30% of their income on housing. The chart below defines the most commonly used definitions and income levels for various categories.

Martin County AMI (Area Median Income) for 2018 is $ 60,500*

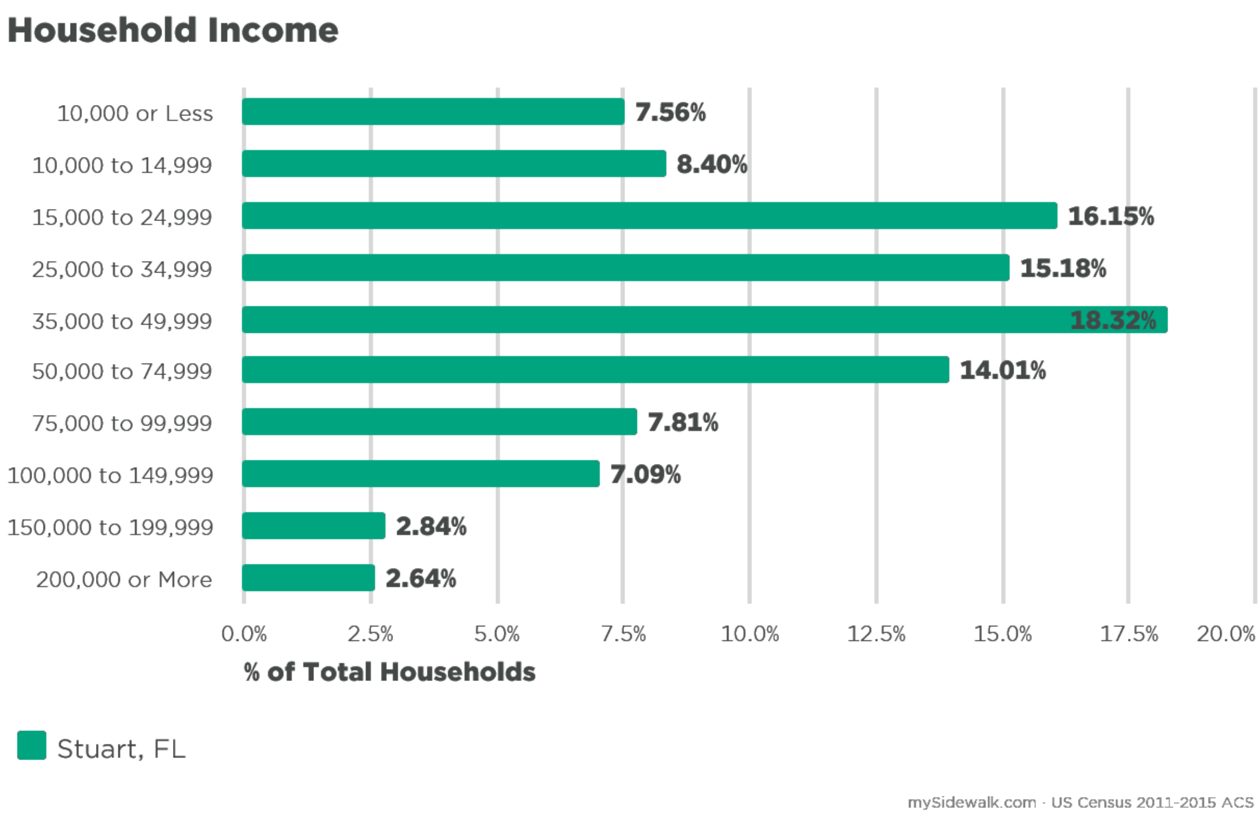
Income Category	Top AMI %	1 person	Top Price	Family of 4	Top Price
Extremely Low Income	30% AMI	$ 12,750	$ 38,250	$ 25,100	$ 75,300
Very Low Income	50% AMI	$ 21,200	$ 63,600	$ 30,250	$ 90,750
Low Income	80% AMI	$ 33,900	$ 101,700	$ 48,400	$ 145,200
Moderate	120% AMI	$ 50,880	$ 152,640	$ 72,600	$ 217,800
Workforce	140% AMI	$ 59,360	$ 178,080	$ 84,700	$ 254,100

The average home price in Martin County in March of 2018 was $370,000 and for Stuart it was $221,657. The standard guideline for housing costs is 3 times your annual salary although some sources say this is not accurate for Florida due to insurance costs. This means the average home in Martin County is unaffordable to the workforce and the average home in Stuart is barely affordable to the highest workforce category. Even when the City attempts to attract high wage jobs, the housing costs make relocating to the area a challenge. The essential workforce needed to support those jobs (teachers, childcare workers, retail, etc.) are extremely cost burdened and effectively priced out of the homeownership market and struggle in the rental market.

*As calculated by HUD for median family income (reference HUD Data Sets 2018)

Homeownership Affordability Challenges

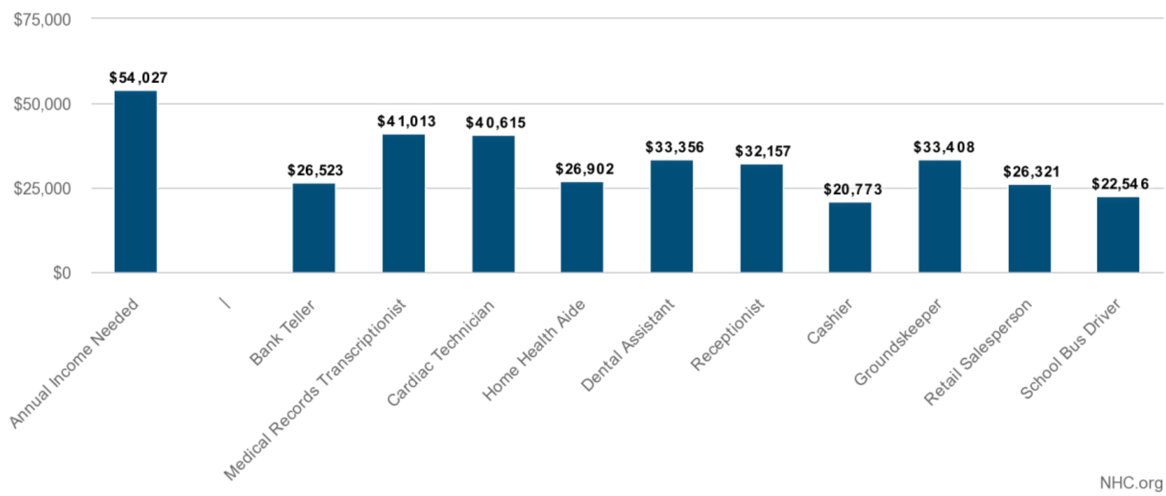
Like many municipalities in South Florida, Stuart has a lack of housing that is affordable to those making the average household income, usually well below the median income, which is currently $36,500 for the City.



Homeownership is out of reach for the average family which needs approximately $54,000 to afford even a modestly priced home in the City. The problem is compounded by the fact that Stuart is surrounded by wealthy communities such as Palm City and Sewalls Point which makes the Area Median Income (AMI) much higher. This is important to Stuart households because many of the down payment assistance (DPA) and subsidy programs are based on the county’s AMI, not average wages.

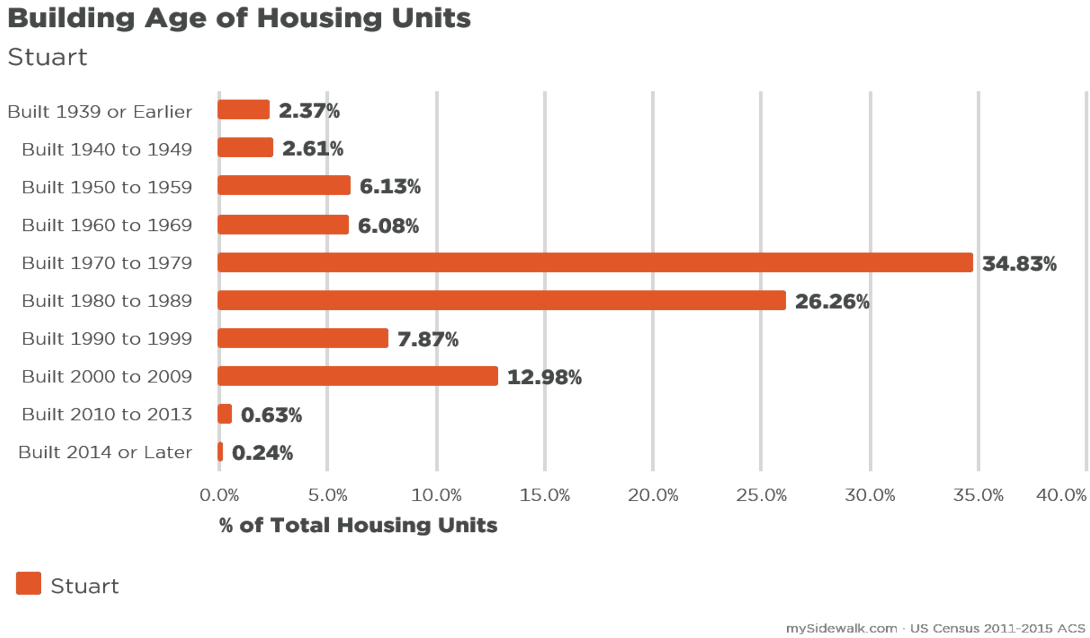
A survey of occupations show that leading categories are priced out of the homeownership market. Allied health professionals make up a large percentage of the jobs in the city but with the exception of doctors and nurses, most of these occupations are priced out of the market.

Homeownership Affordability Chart



Existing Housing Stock

There are opportunities to buy “attainable” older homes in areas of the City but those present challenges. The existing housing stock is older with 78 percent of the stock being built prior to 1989 meaning the average home is more than 30 years old. Many of the homes require rehabilitation and renovation. They also require hardening to meet updated codes. Building codes changed significantly in 1992 and have been continually updated to meet the severity of storms impacting the area.



Lending Challenges

Lenders will not typically approve a loan on home unless they meet a minimal standard. Buying an older home almost ensures that significant renovations will be required before the lender will offer a conventional loan at competitive prices. A specialty lending product, such as FHA 203K loan, is required to be able to purchase a home that needs even moderate renovation. Becoming a new homeowner is challenging but the added complication of undertaking purchase rehab is almost impossible for buyers of modest means or first time buyers at any income level. They will typically have to pay rent and the mortgage while the home is under renovation increasing their housing costs for a period of time. There are lending products that offer a combined mortgage/renovation loan such as Fannie Mae's *Homestyle* loan which also offers a loan based on the value of the fully renovated home. These products also offer one closing and less fees making purchase/renovation possible but a survey of banks showed that no local lenders currently offer this type of product. Some lenders indicated they would look into offering these products if there is enough demand.

Rental Affordability Challenges

Affordable rental housing presents a special challenge to Stuart residents because of the method in which rent is calculated. Rent levels are typically based on the Area Median Income for the geographic area or MSA (Metropolitan Statistical Area). Stuart is in the middle of some very wealthy areas, such as Palm City, where the household income is over $107,000. This has the effect of keeping rents weighted on the higher side even for subsidized units. The cost for a two bedroom apartment, even in a tax credit subsidized apartment, will be $1,360 per month. The cost for a market rate apartment will be substantially higher. Once again many of the average employees are cost burdened in the rental market paying well beyond the recommended 30% of their income.

Rent Limits for SHIP Program

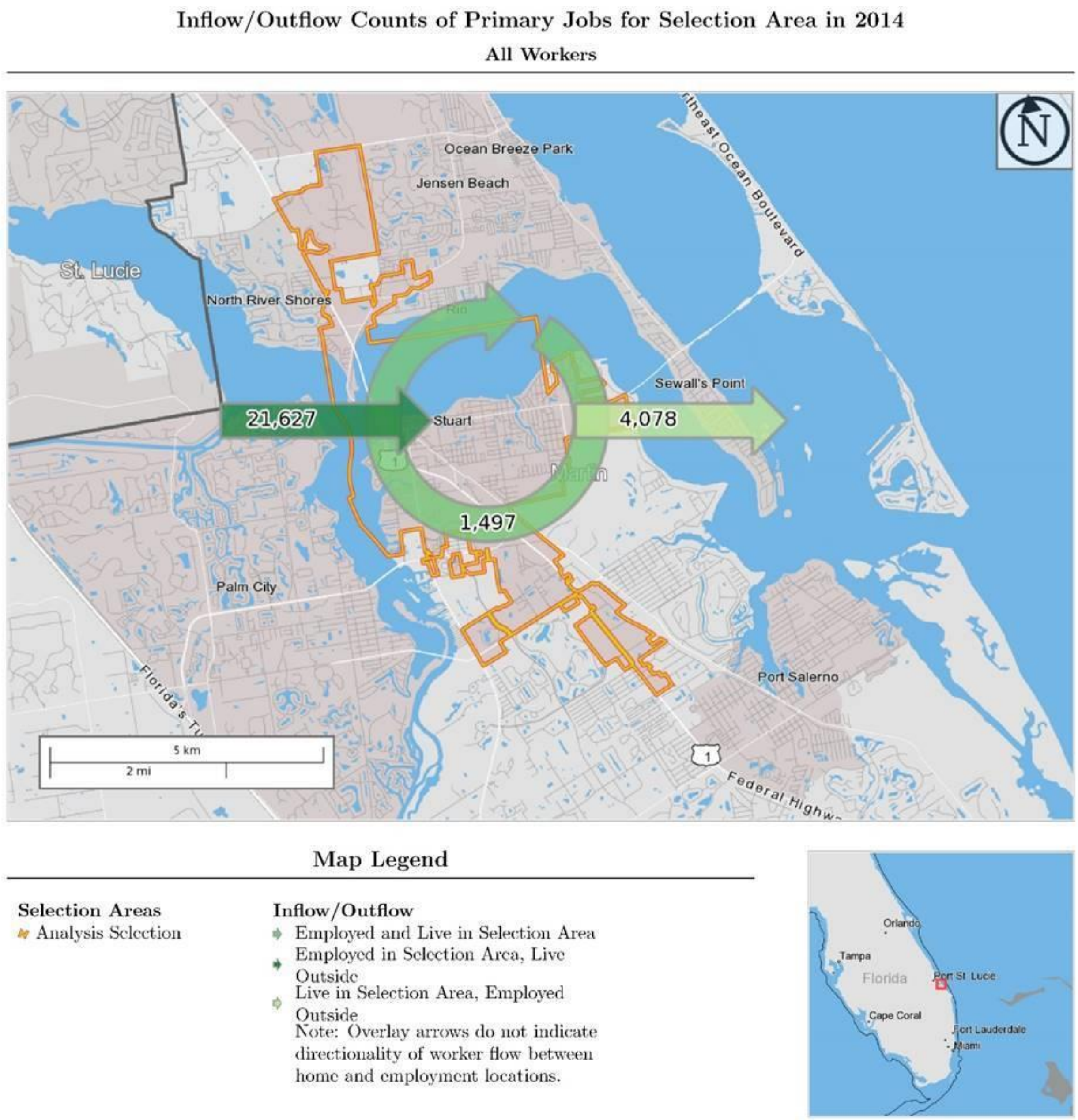
County (Metro)	Percentage Category	Rent Limit by Number of Bedrooms in Unit					
		0	1	2	3	4	5
Martin County	30%	318	365	519	681	843	968
(PSL MSA)	50%	530	567	681	786	877	968
	80%	847	908	1,090	1,258	1,403	1,549
Median: 60,500	120%	1,272	1,362	1,635	1,888	2,106	2,325
	140%	1,484	1,589	1,907	2,203	2,457	2,712

Rent limit chart from the Florida Housing Finance Corporation

Rental units are particularly important in attracting new business and their employees. Residents who are new to the area will typically rent as a first step in relocating to the area. New, high quality units are important in attracting residents to the community. The rental market is also challenging for many of the leading occupations in the City. An average salary of $41,360 is required to afford a two bedroom unit. The average rent for a 2-bedroom unit in 2018 is $1,363 per month.

Housing and Transportation

By taking into account the cost of housing as well as the cost of transportation, H+T calculation provides a more comprehensive understanding of the affordability of an area. This is important for the City of Stuart because a majority of workers commute to jobs within the City.

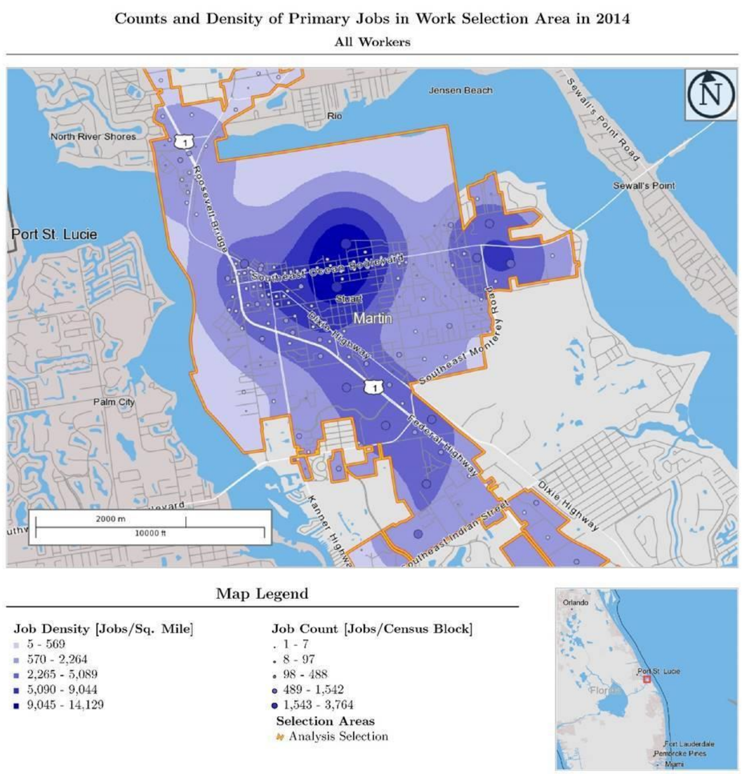


Traditional measures of housing affordability ignore transportation costs. Typically a household's second-largest expenditure, transportation costs, are largely a function of the characteristics of the neighborhood in which a household chooses to live. Compact and dynamic neighborhoods with walkable streets and high access to jobs, transit, and a wide variety of businesses are more efficient, affordable, and sustainable.

While housing alone is traditionally deemed affordable when consuming no more than 30% of income, the H+T Index incorporates transportation costs—usually a household's second-largest expense—to show that location-efficient places can be more livable and affordable.

Martin County Housing and Transportation Index

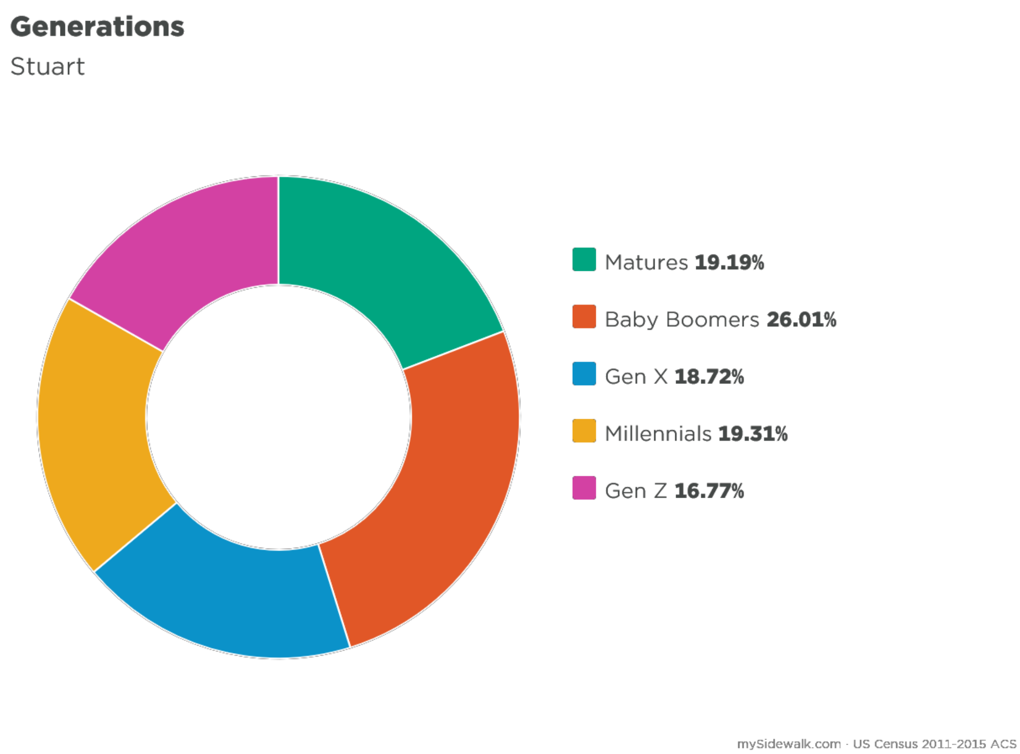
Costs	Percent of Income
Housing Costs as a Percent of Income	38% of Total Income
Transportation Costs as a Percent of Income	27% of Total Income
Housing + Transportation as a Percent of Income	64% of Total Income



Characteristics of Target Populations

The median age of Stuart's population is 45.7, several years younger than Martin County's overall median age of 50.7, but still older than Florida's overall median age of 41.4. This suggests that Stuart's urban lifestyle is more appealing to younger residents. Over 45% of Stuart's residents belong to either the Baby Boomer or Mature generations.

As these generations age, Stuart will need to attract prime working age professionals in order to maintain its economic vitality. In order to attract this younger demographic, affordable and varied housing options will be required.



Recommendations

Recommendations were driven by the factors listed above in this report and also take into account feedback from City Commissioners, City and County Staff, the Business Community, non-profits, and residents.

1. <u>Education:</u> Elected officials are expected to be experts on a wide variety of topics but are also challenged with limited time for training and research. The amount of information on housing issues can be overwhelming but critical to making informed decisions about housing policy. A focused training with community experts would be a way for elected officials to learn about the role and legal responsibilities in addressing affordable housing. Issues that could be highlighted include:
   - Why affordable/workforce housing is critical to the community and economic development
   - The continuum of affordable/workforce housing options
   - Federal, state and local funding sources that can be used to fund a housing strategy
   - NIMBYism (Not in My Backyard) and how to combat it
   - Tools that can be used to create greater affordable housing opportunities

   A great example of an educational program for elected officials was a program conducted by the Institute for Good Government. The Treasure Coast Regional Planning Council (TCRPC) and the SFRPC (South Florida Regional Planning Council) are interested in bringing this type of program to the Treasure Coast area. A full agenda and more information on the program is included as an exhibit.

2. Housing Symposium: In conducting interviews for this report many people expressed an interest in learning about new ideas and concepts in housing in order to be able to offer diverse housing choices that appeal to a wide range of incomes, ages, culture and lifestyles. It would also be an opportunity to educate and garner interest/support among the community including residents, employers and housing stakeholder (Realtors, Housing Counselors, Lenders, etc.) Surrounding communities have done similar events and have offered assistance with recruiting speakers for an event of this type. Martin County staff members have also expressed interest in an event of this type so it could be a regional effort. Information on similar events is included as an exhibit.

3. Workforce Housing Survey: This will help quantify the needs of the workforce in the community. A survey of top employers should be undertaken to determine housing needs for current and future employees. A survey of housing preferences (rental, for-sale, amenities, and tradeoffs) should also be conducted among current and potential employees of existing and target businesses. The results of a thorough study will help inform housing policy. A sample proposal for funding is included as an exhibit.

4. Loan Pool for Buyer Assistance/Renovation: Renovation and redevelopment of infill housing offers the best opportunity for enhancing housing options since the City is approaching buildout. Unfortunately the traditional lending products used for these types of activities such as the 203k loan are not offered by many lenders. Local lenders should be approached about creating a loan pool to provide funding for down payment assistance and renovation. If created, this loan pool should generate enough income to become self-sustaining. In the meantime an effort should be made to encourage lenders to offer products like FHA's 203K or Fannie Mae's Homestyle product which are not ideal for first time homebuyers but still can be used for renovation loans. Information on specialty renovation/purchase products is included as an exhibit.

5. TOD – Transit Oriented Development: A focus on the development of new housing in areas adjacent to employment centers & transportation options will help build walkable, urban living environment to which millennials and young professionals are attracted. Research into what types of housing and mixed use projects thrive in similar environments should be conducted. The Workforce Housing Survey, if conducted, would provide critical input into what current and future employees desire in terms of housing and amenities. Incentive programs should be developed to encourage the type of development desired and to promote the inclusion of workforce units.

6. Consider Underlying Multifamily Residential Zoning of Commercial Property: The demise of the “big box” store or 1970’s era strip center continues to be an issue. The city could amend their comprehensive land use plans and zoning codes to assign property in each commercial category a multifamily residential zoning overlay (i.e., allowing for redevelopment without a comprehensive land use plan change or rezoning), but only if a predesignated percentage of those units will be used for attainable housing, preferably creating a mixed income scenario. This same concept should be explored for other nonresidential zoning categories. Information on the conversion of “strip malls” is included as an exhibit.

7. Model Affordable / Workforce Housing Codes: Instead of dealing with affordable/ workforce issues on a piecemeal basis, municipalities should address their concerns on a comprehensive basis and adopt comprehensive housing codes. For example, density could be offered as an incentive for developers who are willing to include a percentage of below market rate units as part of their residential projects. In this manner, the City could design a code that would support the types of housing policy the City wants to promote. A model code is included as an exhibit.

8. Continued Support of CRA Redevelopment Activities: Redevelopment plays a critical role in the economic development opportunities for the City. Tax increment revenues are a source of funding for these efforts which were discussed and supported in previous economic development workshops:
    - Increasing variety of housing options available
    - Focusing on street level neighborhood improvements
    - Expand and better market existing housing rehabilitation programs such as the CRA paint up and façade improvement programs, in order to ensure that the City's housing stock remains viable for its future as well as current residents.
    - Continue to offer grants and loans for historic façade restoration through the CRA

9. Preservation/Creation of Affordable Housing Assets: A continued focus on the improvement and preservation of existing affordable housing assets will provide housing options for the service economy that supports economic development. Housing for workers making 30 percent or less of AMI ($25,100 for a family of four) is critical to providing essential services to the community. This includes occupations such as childcare workers, health aides, retail and hospitality, landscaping, etc. Strategies for this recommendation include:
    - Workshop/Collaboration with the Stuart Housing Authority which provides an important source of affordable rentals for low wage professions.
    - Continue to partner with Habitat for Humanity to build new affordable homes and create new opportunities for homeownership in the City of Stuart.
    - Partnership with the Housing Solutions Taskforce, a nonprofit planning to undertake affordable housing development.

10. Funding to Coordinate Housing Efforts: The City of Stuart recognizes that housing and neighborhood renewal play an important role in maintaining and enhancing the economic health and vibrancy of the overall community. Given this recognition, resources should be committed to a coordinated housing effort. The current staff will not have the capacity/time to implement recommendations so the last recommendation that either a staff person be hired or and an RFP be created to hire a consultant to coordinate housing activities.

Regional Housing Collaboration

Regionalism is important to the housing discussion. Shared investment and responsibility has to be the hallmark of regional cooperation ensuring housing costs will not be a barrier to retention and recruitment of business. Costs have been increasing in areas that have traditionally provided workforce housing such as Port St. Lucie. Emerging areas such as Indiantown may provide some units but not all potential employers will want to commute to a “bedroom community” and gas prices always effect the willingness to commute. Workforce housing must be a shared responsibility in order to ensure the economic viability of Stuart and all of Martin County. A list of Guiding Principles & Actions for regional housing efforts is included as an attachment.

Research and Input

The plan had a very tight timeframe due to staff turnover and difficulty in locating a consultant to complete the work in a short time frame. In creating this Housing Report, comprehensive review of the relevant reports and data was conducted. Stakeholder engagement was limited due to time constraints. Due to the limited timeframe the consultant had a phone interview with all City Commissioners. Meeting were held with city staff and county staff, several non-profits, two developers and several city residents. Existing documents and studies were reviewed to incorporate previous research and stakeholder input.

Documents Reviewed include:

- City of Stuart Economic Development Strategy Plan
- DEO Data Mapping
- Martin County LHAP (Local Affordable Housing Plan)
- SHIP Brochure
- City of Stuart Comprehensive Plan –Housing Element
- City of Stuart Strategic Goals

Report Submitted by:
Suzanne Cabrera Consulting
Suzanne Cabrera – President
www.suzannecabreraconsulting.com
suzannecabreraconsutling@gmail.com

Exhibits

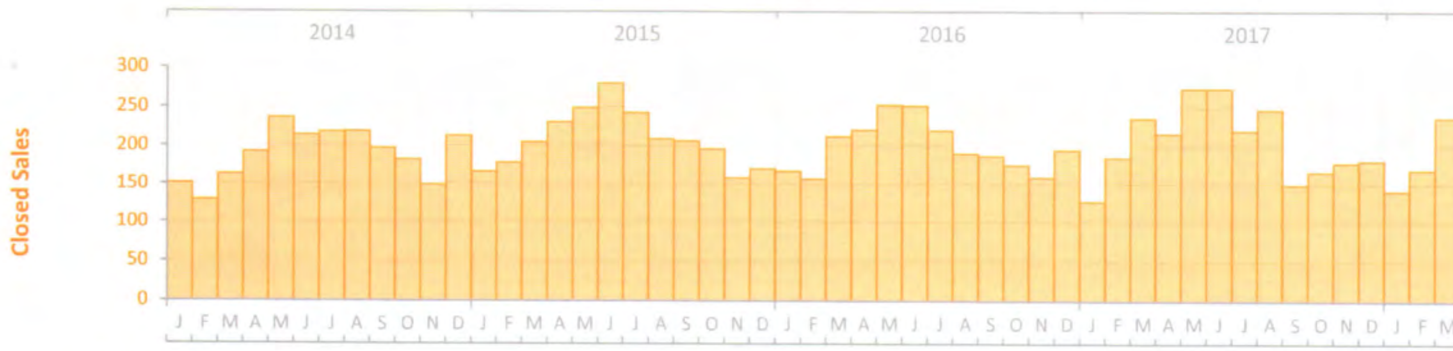
Exhibit #	Title
1	Martin County Board of Realtors Monthly Market Summary March 2018
2	ALICE Report (Asset Limited Income Constrained Employed) Martin
3	Housing & Transportation Report Summary
4	Good Government Training (Article and Agenda for Housing)
5	Housing Summit (Program for May 31, 2017 Event)
6	Housing Preference Survey Proposal
7	Renovation/Rehab Loan Products (203K and HomeStyle)
8	Key Guidelines for Developing Adaptive-Reuse Projects
9	Strip Mall Redevelopment
10	Workforce Housing: Barriers, Solutions, and Model Programs
11	Housing Incentive Strategy Report
12	Guiding Principles and Actions for Regional Efforts

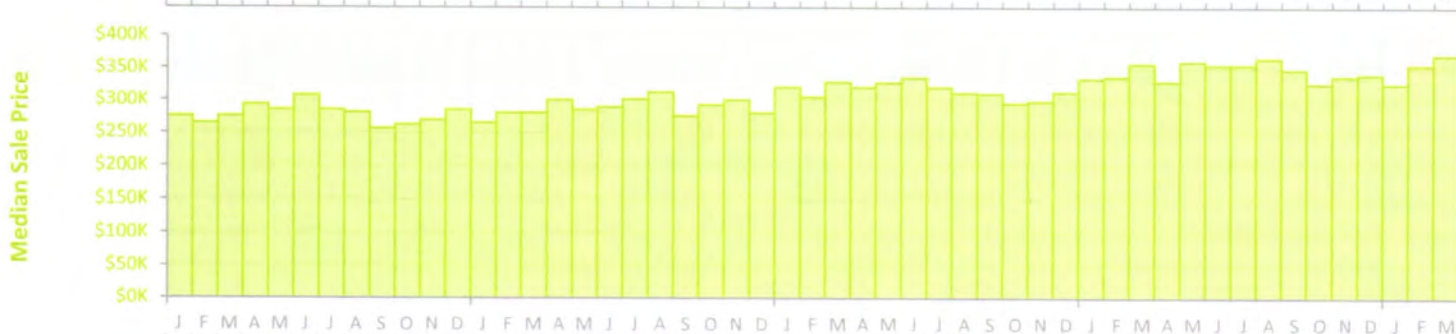
EXHIBIT 1

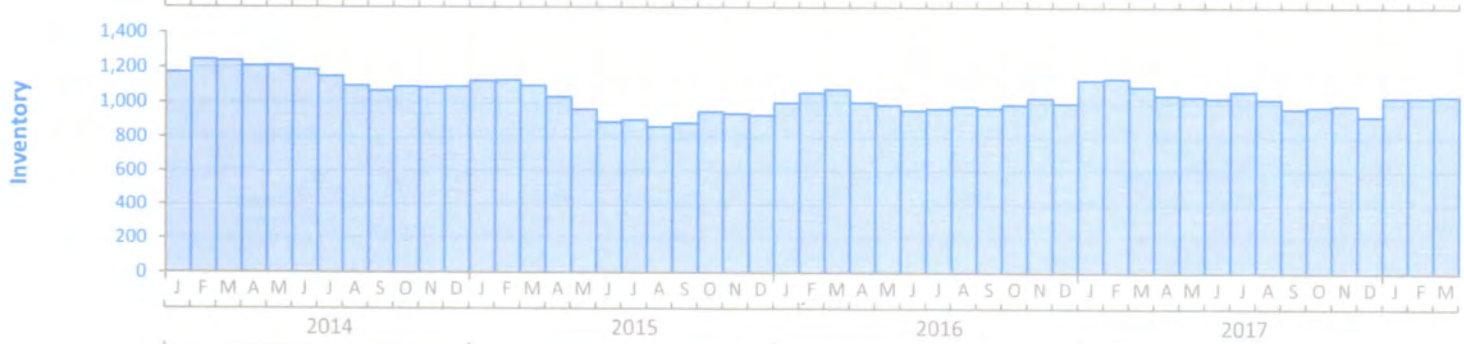
Monthly Market Summary - March 2018
Single Family Homes
Martin County

FloridaRealtors

	March 2018	March 2017	Percent Change Year-over-Year
Closed Sales	237	236	0.4%
Paid in Cash	102	100	2.0%
Median Sale Price	$370,000	$356,500	3.8%
Average Sale Price	$537,834	$514,511	4.5%
Dollar Volume	$127.5 Million	$121.4 Million	5.0%
Med. Pct. of Orig. List Price Received	94.9%	94.8%	0.1%
Median Time to Contract	53 Days	55 Days	-3.6%
Median Time to Sale	96 Days	95 Days	1.1%
New Pending Sales	261	282	-7.4%
New Listings	314	335	-6.3%
Pending Inventory	388	406	-4.4%
Inventory (Active Listings)	1,041	1,094	-4.8%
Months Supply of Inventory	5.1	5.5	-7.3%







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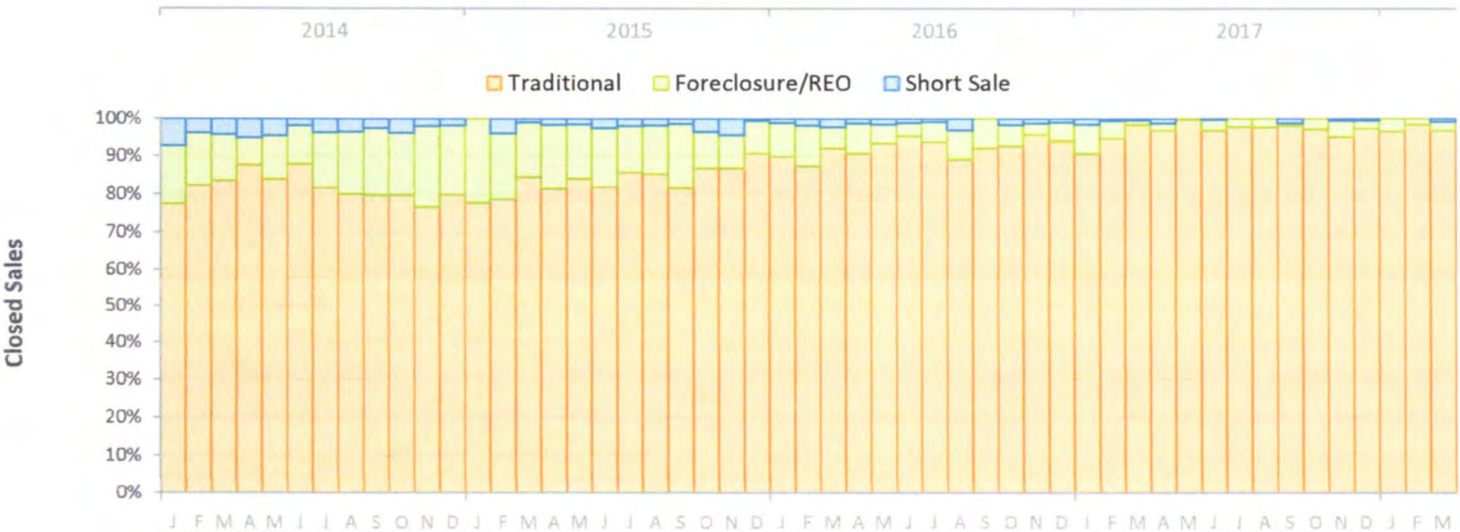
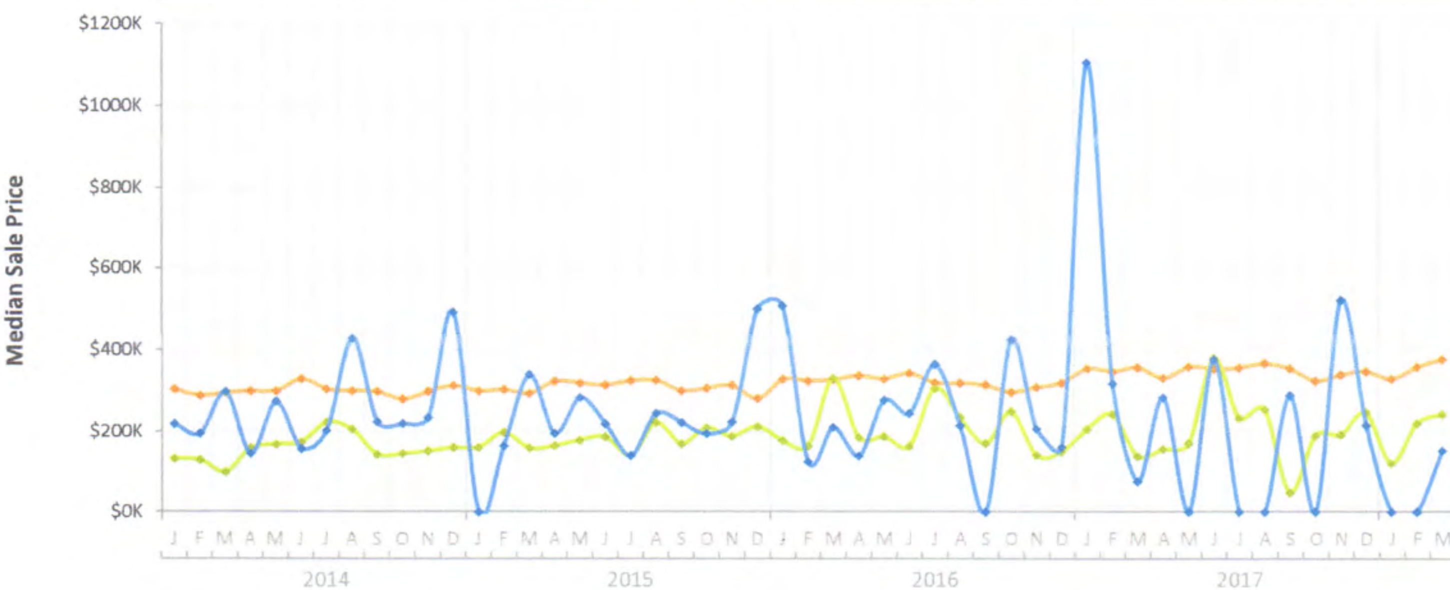
Monthly Distressed Market - March 2018
Single Family Homes
Martin County

FloridaRealtors®

		March 2018	March 2017	Percent Change Year-over-Year
Traditional	Closed Sales	229	232	-1.3%
	Median Sale Price	$378,000	$358,000	5.6%
Foreclosure/REO	Closed Sales	6	3	100.0%
	Median Sale Price	$242,750	$137,900	76.0%
Short Sale	Closed Sales	2	1	100.0%
	Median Sale Price	$152,450	$75,000	103.3%





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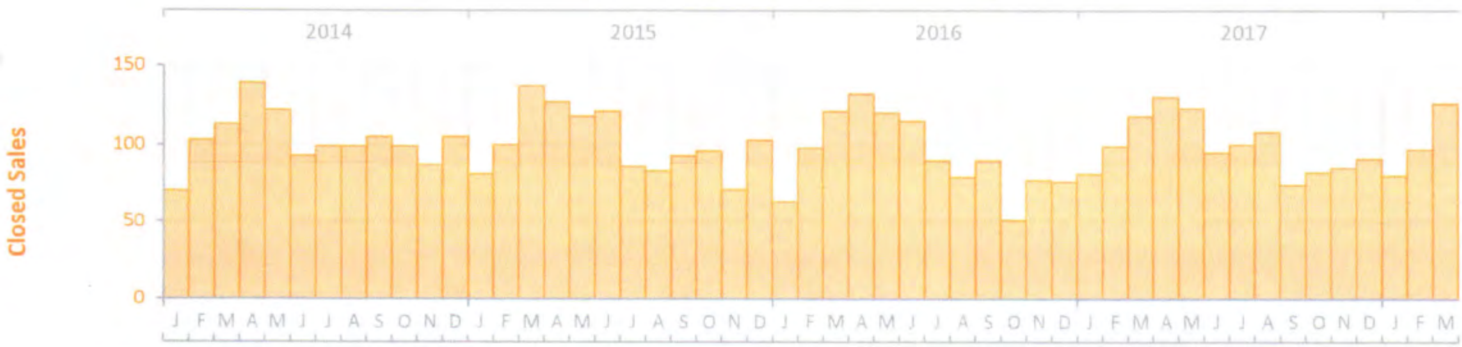
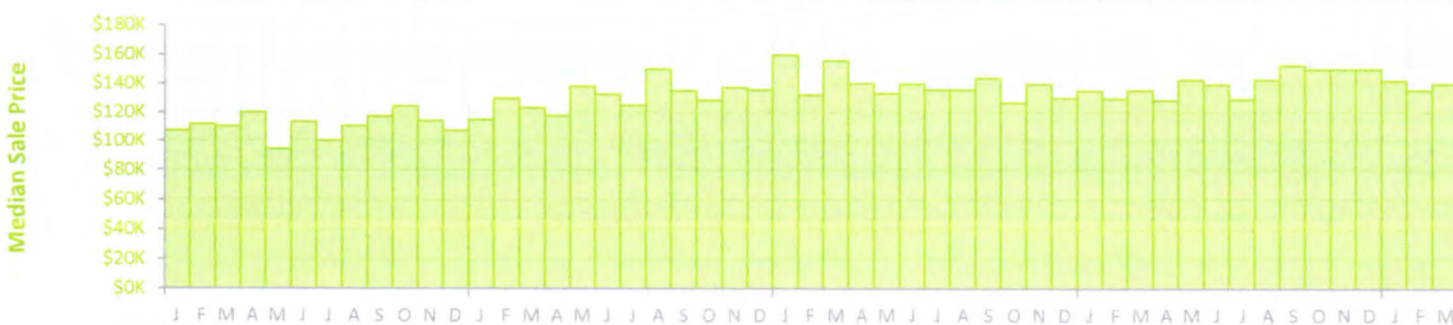
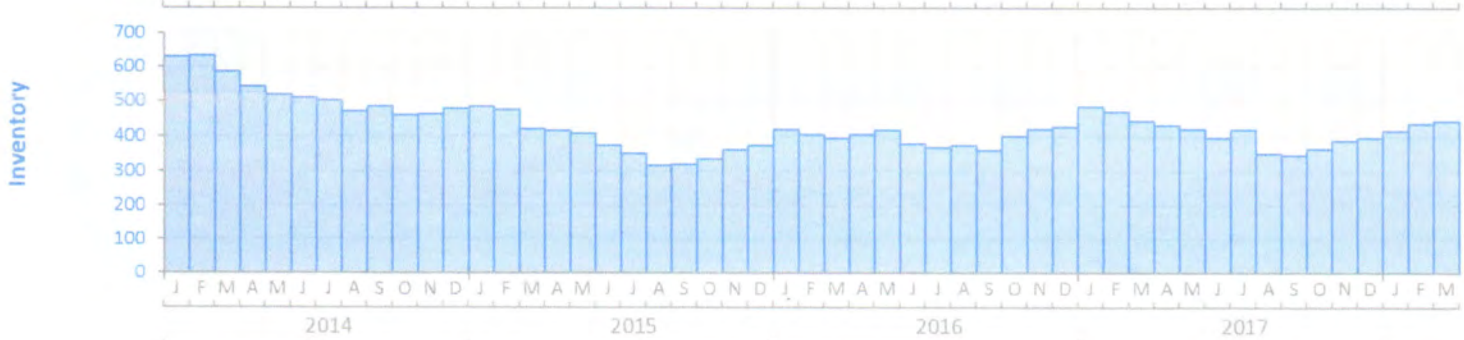
Monthly Market Summary - March 2018
Townhouses and Condos
Martin County

	March 2018	March 2017	Percent Change Year-over-Year
Closed Sales	126	118	6.8%
Paid in Cash	89	86	3.5%
Median Sale Price	$140,000	$135,500	3.3%
Average Sale Price	$188,450	$165,241	14.0%
Dollar Volume	$23.7 Million	$19.5 Million	21.8%
Med. Pct. of Orig. List Price Received	95.0%	94.7%	0.3%
Median Time to Contract	28 Days	36 Days	-22.2%
Median Time to Sale	69 Days	70 Days	-1.4%
New Pending Sales	135	161	-16.1%
New Listings	171	158	8.2%
Pending Inventory	189	198	-4.5%
Inventory (Active Listings)	445	445	0.0%
Months Supply of Inventory	4.5	4.7	-4.3%







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Monthly Distressed Market - March 2018
Townhouses and Condos
Martin County

FloridaRealtors®
The Voice for Real Estate® in Florida

		March 2018	March 2017	Percent Change Year-over-Year
Traditional	Closed Sales	123	114	7.9%
	Median Sale Price	$140,000	$135,500	3.3%
Foreclosure/REO	Closed Sales	3	3	0.0%
	Median Sale Price	$139,650	$126,800	10.1%
Short Sale	Closed Sales	0	1	-100.0%
	Median Sale Price	(No Sales)	$375,000	N/A

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EXHIBIT 2

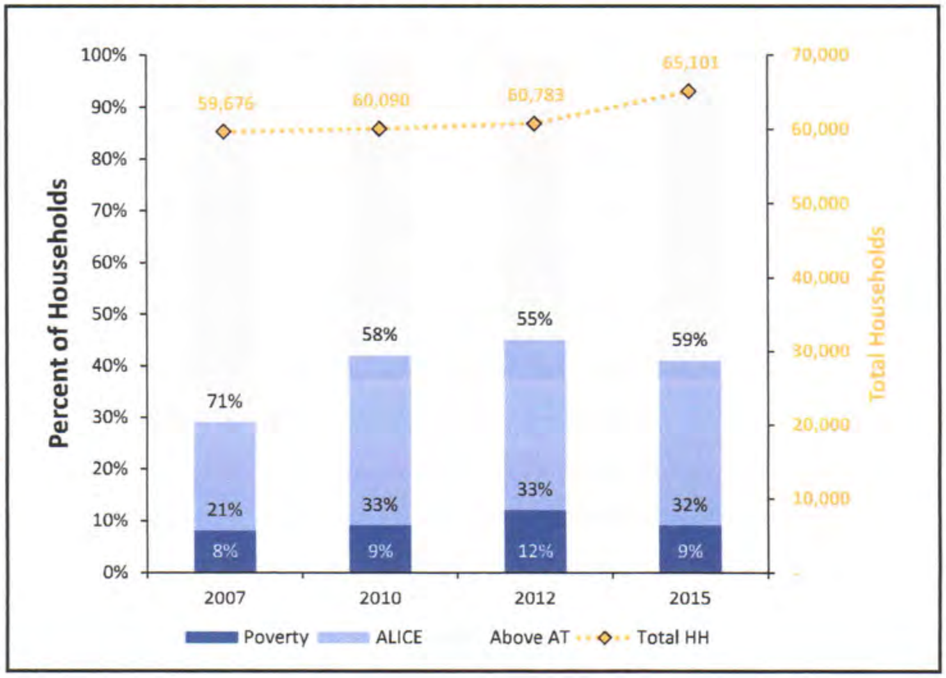
ALICE IN MARTIN COUNTY

Population: 156,283 | **Number of Households:** 65,101
Median Household Income: $51,622 (state average: $49,426)
Florida Underemployment Rate for 2015: 11.5%
Households Below ALICE Threshold: 26,689 (41%)

How many households are struggling?

ALICE is an acronym for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed – households that earn more than the Federal Poverty Level, but less than the basic cost of living for the county (the ALICE Threshold, or AT). Combined, the number of poverty and ALICE households equals the total population struggling to afford basic needs. The percentage of households below the ALICE Threshold changes over time (left axis, blue bars) as does the total number of households (right axis, dotted yellow line). The Great Recession, from 2007 to 2010, caused hardship for many families. Conditions started to improve in 2010 and 2012 for some, but not for all.

Households by Income, 2007 to 2015



What does it cost to afford the basic necessities?

The bare-minimum Household Survival Budget does not include any savings, leaving a household vulnerable to unexpected expenses. ALICE households typically earn above the Federal Poverty Level of $11,770 for a single adult and $24,250 for a family of four, but less than the Household Survival Budget.

Household Survival Budget, Martin County

	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
Monthly Costs		
Housing	$684	$939
Child Care	$–	$1,500
Food	$165	$547
Transportation	$322	$644
Health Care	$165	$634
Miscellaneous	$154	$471
Taxes	$205	$443
Monthly Total	$1,695	$5,178
ANNUAL TOTAL	**$20,340**	**$62,136**
POVERTY ANNUAL TOTAL	$11,770	$24,250

*Sources: **2015 Point-in-Time Data**: American Community Survey. **ALICE Demographics:** American Community Survey; the ALICE Threshold. **Budget:** U.S. Department of Housing and Urban Development (HUD); U.S. Department of Agriculture (USDA); Bureau of Labor Statistics (BLS); Internal Revenue Service (IRS); Florida Department of Education, Office of Early Learning.*

Key Facts and ALICE Statistics for Florida Municipalities

Municipality by County	Population	Households	Poverty %	ALICE %	Above ALICE Threshold %	Unemployment Rate	Health Insurance Coverage %	Housing Burden: Owner Over 30%	Housing Burden: Renter Over 30%	Source: American Community Survey Estimate
Dunnellon, Marion County	1,783	958	30%	35%	35%	13.4%	88%	29%	32%	5-Year
East Marion CCD, Marion County	18,977	7,625	23%	42%	35%	18.9%	78%	20%	48%	5-Year
Fellowship CCD, Marion County	26,723	10,985	16%	31%	53%	14.9%	83%	28%	40%	5-Year
Fort McCoy-Anthony CCD, Marion County	19,048	5,383	22%	34%	44%	14.3%	84%	26%	50%	5-Year
McIntosh, Marion County	357	200	5%	37%	58%	6.2%	94%	24%	28%	5-Year
Ocala CCD, Marion County	138,520	52,626	18%	35%	47%	11.5%	84%	29%	50%	5-Year
Ocala, Marion County	57,209	21,664	20%	36%	44%	12.1%	82%	30%	55%	5-Year
Reddick, Marion County	559	196	27%	42%	31%	20.4%	74%	32%	53%	5-Year
Reddick-McIntosh CCD, Marion County	12,160	4,666	17%	41%	42%	11.8%	79%	33%	45%	5-Year
Silver Springs Shores CDP, Marion County	7,809	2,964	23%	52%	25%	16.2%	86%	37%	52%	5-Year
Hobe Sound CDP, Martin County	13,545	5,948	12%	41%	47%	8.4%	85%	32%	40%	5-Year
Indiantown CCD, Martin County	20,489	6,212	14%	28%	58%	11.3%	80%	36%	59%	5-Year
Indiantown CDP, Martin County	6,065	1,484	22%	40%	38%	16.8%	69%	36%	72%	5-Year
Jensen Beach CDP, Martin County	12,266	5,288	13%	35%	52%	8.1%	84%	29%	59%	5-Year
Jupiter Island, Martin County	656	291	2%	14%	84%	4.4%	92%	25%	27%	5-Year
North River Shores CDP, Martin County	4,068	1,559	13%	36%	51%	14.6%	83%	27%	76%	5-Year
Ocean Breeze Park, Martin County	241	162	15%	59%	26%	3.5%	90%	45%	53%	5-Year
Palm City CDP, Martin County	23,413	9,558	5%	23%	72%	6.6%	94%	31%	35%	5-Year
Port Salerno CDP, Martin County	9,999	4,236	12%	38%	50%	9.2%	78%	30%	50%	5-Year
Port Salerno-Hobe Sound CCD, Martin County	63,669	26,439	9%	32%	59%	9.1%	85%	29%	44%	5-Year
Rio CDP, Martin County	1,022	452	15%	31%	54%	23.5%	84%	33%	52%	5-Year
Sewall's Point, Martin County	2,057	811	4%	15%	81%	6.0%	98%	41%	16%	5-Year
Stuart CCD, Martin County	67,428	29,301	10%	33%	57%	9.9%	88%	31%	53%	5-Year
Stuart, Martin County	16,037	7,418	16%	43%	41%	12.0%	83%	33%	57%	5-Year
Aventura, Miami-Dade County	37,357	18,701	12%	35%	53%	7.2%	87%	47%	55%	5-Year
Bal Harbour, Miami-Dade County	2,677	1,521	16%	34%	50%	5.8%	90%	57%	59%	5-Year
Bay Harbor Islands, Miami-Dade County	5,921	2,604	15%	32%	53%	5.8%	80%	29%	44%	5-Year
Biscayne Park, Miami-Dade County	3,193	1,156	12%	30%	58%	5.8%	84%	35%	70%	5-Year
Brownsville CDP, Miami-Dade County	16,410	4,890	45%	41%	14%	23.0%	71%	41%	67%	5-Year
Coral Gables, Miami-Dade County	50,059	17,954	8%	26%	66%	5.7%	90%	33%	48%	5-Year
Coral Terrace CDP, Miami-Dade County	23,994	7,319	15%	42%	43%	9.9%	78%	35%	68%	5-Year
Country Club CDP, Miami-Dade County	48,622	15,811	21%	43%	36%	6.1%	71%	42%	61%	5-Year
Country Walk CDP, Miami-Dade County	16,485	4,482	11%	27%	62%	7.7%	83%	40%	64%	5-Year
Cutler Bay, Miami-Dade County	43,474	12,848	12%	33%	55%	7.5%	80%	38%	51%	5-Year
Doral, Miami-Dade County	51,382	15,038	13%	28%	59%	5.8%	80%	39%	57%	5-Year
El Portal, Miami-Dade County	2,492	883	19%	34%	47%	12.2%	76%	34%	57%	5-Year
Everglades CCD, Miami-Dade County	6,535	1,827	10%	48%	42%	5.0%	72%	40%	33%	5-Year
Florida City, Miami-Dade County	12,024	2,794	47%	39%	14%	28.7%	72%	49%	67%	5-Year
Fountainebleau CDP, Miami-Dade County	55,596	18,175	15%	50%	35%	8.7%	71%	39%	63%	5-Year
Gladeview CDP, Miami-Dade County	12,525	3,548	45%	40%	15%	26.1%	69%	35%	64%	5-Year
Glenvar Heights CDP, Miami-Dade County	17,881	7,025	14%	36%	50%	4.0%	88%	31%	51%	5-Year
Golden Beach, Miami-Dade County	709	214	12%	9%	79%	9.2%	96%	45%	27%	5-Year
Golden Glades CDP, Miami-Dade County	33,806	9,118	24%	46%	30%	14.3%	66%	46%	62%	5-Year

EXHIBIT 3

H+T® Fact Sheet

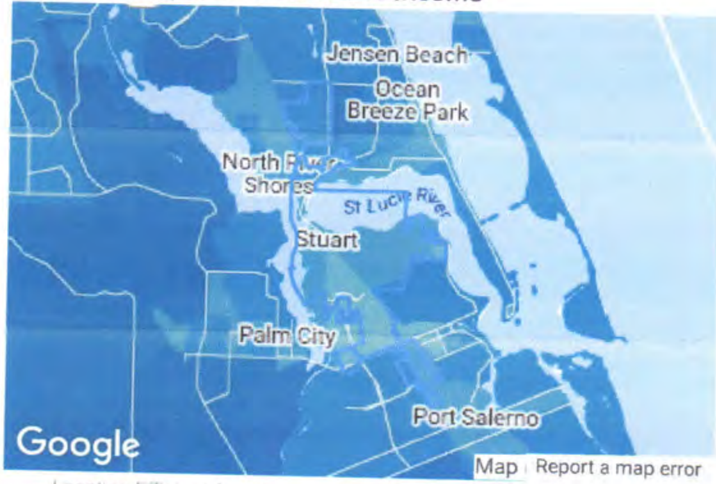
TRUE AFFORDABILITY AND LOCATION EFFICIENCY

CNT

Traditional measures of housing affordability ignore transportation costs. Typically a household's second-largest expenditure, transportation costs are largely a function of the characteristics of the neighborhood in which a household chooses to live. Location Matters. Compact and dynamic neighborhoods with walkable streets and high access to jobs, transit, and a wide variety of businesses are more efficient, affordable, and sustainable.

The statistics below are modeled for the Regional Typical Household. Income: $46,293 Commuters: 0.92 Household Size: 2.55 (Port St. Lucie, FL)

Map of Transportation Costs % Income



Location Efficient Areas

< 8% 8-12% 12-15% 15-18% 18-22% 22-26% 26-29% 29% +

Location Efficiency Metrics

Places that are compact, close to jobs and services, with a variety of transportation choices, allow people to spend less time, energy, and money on transportation.

0% Percent of location efficient neighborhoods

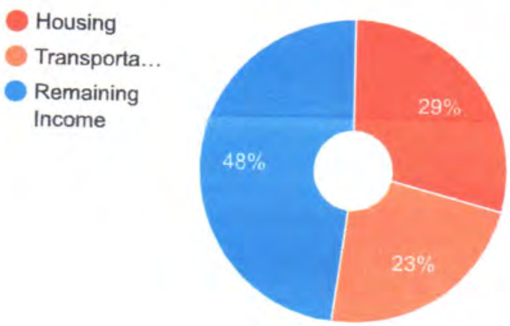
Neighborhood Characteristic Scores (1-10)

As compared to neighborhoods in all 955 U.S. regions in the Index

Job Access	AllTransit Performance Score	Compact Neighborhood
7.7	1.9	6.8
High access to a variety of jobs	Car-dependent with very limited or no access to public transportation	High density and walkable

Average Housing + Transportation Costs % Income

Factoring in both housing *and* transportation costs provides a more comprehensive way of thinking about the cost of housing and true affordability.



Transportation Costs

In dispersed areas, people need to own more vehicles and rely upon driving them farther distances which also drives up the cost of living.

$10,778
Annual Transportation Costs

1.49
Autos Per Household

18,938
Average Household VMT

2%
Transit Ridership % of Workers

6
Annual Transit Trips

7.11 Tonnes
Annual Greenhouse Gas per Household

H+T® Fact Sheet

TRUE AFFORDABILITY AND LOCATION EFFICIENCY

Affordability

Housing + Transportation Costs % Income:	51%
Housing Costs % Income:	29%
Transportation Costs % Income:	23%

Demographics

Block Groups:	13
Households:	6,978
Population:	16,010

Autos per Household:	1.49
Annual Vehicle Miles Traveled per Household :	18,938
Transit Ridership % of Workers:	2%
Annual Transportation Cost:	$10,778
Annual Auto Ownership Cost:	$8,121
Annual VMT Cost:	$2,649
Annual Transit Cost:	$7
Annual Transit Trips:	6

Average Monthly Housing Cost:	$1,109
Median Selected Monthly Owner Costs:	$1,108
Median Gross Monthly Rent:	$818
Percent Owner Occupied Housing Units:	58%
Percent Renter Occupied Housing Unit:	42%

Annual GHG per Household:	7.11 Tonnes
Annual GHG per Acre:	14.84 Tonnes

Residential Density 2010:	4.49 HHs/Res. Acre
Gross Household Density:	1.64 HH/Acre
Regional Household Intensity:	10,527 HH/mile^2
Percent Single Family Detached Households:	35%
Employment Access Index:	17,522 Jobs/mi^2
Employment Mix Index (0-100):	87
Transit Connectivity Index (0-100):	1
Transit Access Shed:	6 km^2
Jobs Accessible in 30 Minute Transit Ride:	10,943
Available Transit Trips per Week:	120
Average Block Perimeter:	1,012 Meters
Average Block Size :	13 Acres
Intersection Density:	123 /mi^2

EXHIBIT 4

the Good Government Initiative at the University of Miami

Affordable Housing – Strategies for building complete, vibrant, and economically prosperous communities

1:15 - 1:20 **Welcome and Brief Introductions**
Katy Sorenson, President & CEO, Good Government Initiative

1:20 - 1:35 **South Florida's Affordable Housing Crisis**
Shekeria Brown, AICP, Executive Director, South Florida Community Development Coalition

1:35 – 1:45 **What Elected Officials Need to Know about Florida's Housing Laws**
Jaimie Ross, President & CEO, Florida Housing Coalition

1:45 – 2:55 **Challenges and Solutions Panel # 1**
In this session, panelists will learn about the continuum of affordable housing and why affordable housing is a critical component of vibrant, economically competitive communities. Participants will learn about the importance of collaborative efforts and coalitions to advance housing policy, and the importance of engaging the business community. Panelists will discuss fair housing policies, strategies, and tools such as land use and community land trusts. Participants will learn about NIMBYism (Not in My Back Yard Syndrome) and strategies for addressing it. Participants will hear from a fellow elected official about why their community felt it was important to pursue an inclusionary zoning policy, their experiences, and "lessons learned."

Moderator: Arden Shank, President & CEO, Neighborhood Housing Services of South Florida

- Jaimie Ross, President & CEO, Florida Housing Coalition
- The Honorable Karen Golonka, Mayor, Town of Jupiter
- Suzanne P. Cabrera, CFRE – President & CEO, Housing Leadership Council of Palm Beach County
- Verdenia C. Baker, County Administrator, Palm Beach County

2:55 – 3:05 Break

3:05 – 4:15 **Challenges and Solutions Session # 2**
In this session, panelists will see examples of affordable housing development and learn how affordable housing projects are designed, financed, and operated. Participants will learn about the unique considerations associated with providing housing for special needs populations such

as the homeless and elderly. Panelists will discuss "best practices" and the role of government in providing legislative leadership to ensure that best practices can be implemented.

Moderator: Jaimie Ross, President, Florida Housing Coalition

- Albert Milo, Jr., Principal & Senior Vice President, Related Urban Development
- Arden Shank, President & CEO, Neighborhood Housing Services of South Florida
- Barbara "Bobbie" Ibarra, Executive Director, Miami Coalition for the Homeless
- Stephanie Berman-Eisenberg, President & CEO, Carrfour Supportive Housing

GOOD GOVERNMENT

BY DONNA SHELLEY APRIL/MAY 2013 VOLUME VIII

HOPE FOR THE FUTURE OF POLITICS

All politics is local," said Speaker of the House Thomas Phillip ("Tip") O'Neill, Jr. His 34-year success as a politician was tied to his ability to understand and influence the issues of his constituents. Rather than rely on lofty ideals about governance, the Speaker knew from experience that by addressing the concrete needs of those who had elected him, he'd remain in office. Some politicians and would-be politicians tend to lose sight of this rather simplistic observation about the government's real function: to perform tasks for the benefit of the people. Fortunately for politicians in Miami-Dade County, there is a program, the Good Government Initiative that will reinforce for them why they were elected to office in the first place.

The Good Government Initiative, developed by former Miami-Dade County Commissioner Katy Sorenson, is a training program for newly elected officials in good governing practices. Its mission is to cultivate leaders of excellence in South Florida through the development and training of elected officials as well as those aspiring to run for office, and to engage the community in its governance through outreach and education.

For Sorenson, President and CEO of the program (with sponsorship from the University of Miami), good government is the key to creating a community of lasting value for all residents. This basic belief, at a time when many Americans are a little less than sanguine about the ethics and abilities of those holding national office, is the rallying point for the program. Her inspiration was the Senior Executives in State and Local Government, a program presented by Harvard's Kennedy School of Government for which she was selected to attend. The Harvard program emphasizes the need for elected officials and executives to become more effective public managers.

"The Harvard experience got me thinking about a program that would benefit those just coming into politics. Frankly, it is a course that I wish had been available to me when I was first elected," said Sorenson.

Like many of her contemporaries, Katy Sorenson's interest in governance arose from her participation in civil rights demonstrations in the mid-1960s. Her activism was one hallmark of her service as an elected official. In 1994, she began representing District 8 on the Miami-Dade Board of County Commissioners. Her 16-year tenure as commissioner is notable for a host of accomplishments; her advocacy for human rights, the environment and managed growth; and her integrity and commitment to her constituency.

The Good Government Initiative offers elected officials the "Leaders of Excellence" program that is in session from August to November, running about 64 hours in total. Admission is competitive and based on a prospective applicant's integrity, the way in which he or she answers mandatory essay questions and how well he or she interviews with a panel of community leaders. The curriculum is extensive and includes ethics, budget and finance, media relations, economic development, constituent services, land use, and working with community organizations among other topics.

"I would say that one of the most valuable experiences in the program was the information we gained from the speakers," said Corradino.

Participating speakers come from academia, government and the private sector. In keeping with Sorenson's aim to steer clear of one party or one ideology, she was able to recruit both Senator Bob Graham (Democrat) and Congresswoman Ileana Ros-Lehtinen (Republican) to share their knowledge and experiences with the class.

"I learned a lot from the exchange of ideas that these speakers sparked among the people enrolled in my class," said Josh Liebman, Class II graduate and Vice Mayor of the City of South Miami.

Speakers also included Miami-Dade Mayor Carlos Gimenez, council and school board members, mayors, and newly elected state representatives. One truly memorable experience for the class was hearing from former Palm Beach County Commissioner Mary

McCarty. McCarty, who was fined and convicted of fraud, was sentenced to three and a half years in prison. This was the first time she had appeared in public since leaving prison.

The course, into which about 18 participants are accepted, features two overnight retreats and four days of classes and activities. The course kicked off with an opening dinner at the Little Haiti Cultural Center and closed with a dinner at the Kampong, Dr. David Fairchild's Florida home and gardens in Coconut Grove.

One off campus visit was to the Chapman Homeless Assistance Center. Here the students learned how this private/public partnership reintegrated people who were once homeless via a successful job-training program (Chapman Partnership is the private-sector partner of the Miami-Dade County Homeless Trust).

Josh Liebman was elected South Miami's Vice Mayor in February 2012; this is his first elected office. His interest in the program was to learn what he didn't know about the complex world of politics. He wanted to learn from Sorenson chiefly because of what he calls her "stellar reputation" while in office. Liebman highly recommends the program to others in office and said that one of its major benefits was the ability to network with other public officials who come from all over South Florida.

"Florida's Sunshine law makes it impossible for me to discuss issues facing our city with other South Miami Commissioners outside of a public meeting. Now, I have a group of people to call on who are essentially in the same boat, but we can mentor and advise each other without breaking the law," said Liebman.
Joe Corradino is another civic-minded individual who appreciates the lessons learned at the Good Government Initiative. A City Planner by profession, Corradino operates on both sides of the governmental system. He is the Town Planner for the City of Homestead and he serves on Pinecrest's Council. Recognizing the fragile nature of political office, Corradino said, "Running a government is a lot about trust; without it you have bad government."

He encourages people to take advantage of Sorenson's program. He believes that present and future graduates of the class will raise the quality level for governance across South Florida. And he is certain that the class will help recruit more good people into politics.

Corradino noted that there are over 30 cities in Miami-Dade County. This means that each time an unincorporated section of the county decides in favor of forming a local government, rather than relying strictly on the county, they are closer to their city or town and have much more immediate access for their needs and concerns. He sees the class as helping to build a cohesive team of knowledgeable people who can best serve those municipalities. "For me, the classes were always interesting. I find that every day I use what I learned in the Good Government Initiative," said Corradino.

Josh Liebman, too, extolled the benefits of the Initiative, "I never missed a class. As far as I am concerned, the program should have Katy's name on it."

Sorenson reported that there are some programs similar to the Initiative in other parts of the country and that her model has the potential to be franchised. But in the final analysis, the program boils down to a few truisms: honesty and forthrightness are essential in a good leader, that knowing the rules will help you to correctly follow and apply them, and that in order for the community to understand your decisions, you must learn to effectively communicate your reasons for doing so.

And if you are considering a run for office, there is a workshop to help you decide if you have the right stuff to wade through the intricacies of land development codes, the patience for the cone of silence, and the steely nerves needed to properly assess a multi-million dollar budget. It is called "Thinking About Running?" which is now underway. But chances are there will be another opportunity to take advantage of this offering by the Good Government Initiative. To learn more about this and the Initiative, go to their website: http://goodgov.net/

And if you feel compelled to blame the "government" for what's wrong with the United States, keep in mind that our system is indeed one that relies on the participation of the people for its success.

As Katy Sorenson said, "It's important for citizens to understand the quality of their elected officials. If you don't do for government, then government gets done to you."

EXHIBIT 5

Palm Beach County

Housing Summit

PALM BEACH COUNTY FLORIDA

May 31, 2017

Palm Beach County Convention Center

County Administration

P.O. Box 1989

West Palm Beach, FL 33402-1989

(561) 355-2030

FAX: (561) 355-3982

www.pbcgov.com

Welcome to the Palm Beach County Housing Summit 2017!
We are thrilled to have you join us.

The Summit brings together a diverse group of community leaders, practitioners and stakeholders to address the housing crisis facing our community. It will build on the efforts of the various partners involved in the housing arena. The program includes panel discussions on expanding options for attainable housing, addressing financial challenges and removing regulatory barriers. Our keynote speaker, former HUD Secretary Henry Cisneros, is a passionate advocate for attainable housing.

Expect to hear some great ideas from the panelists. However, it is important for us to also hear from the participants. Be sure to take advantage of the opportunity to provide your input to help address the housing crisis. Ideas generated from the Summit will be used to create a "Summit Action Plan" of new tools and approaches for the community to consider.

All of us want Palm Beach County to have sustainable communities. To make this happen, we must have a broad and vibrant housing infrastructure that shelters the homeless, youth aging out of foster care, and persons with special needs. The system should enable everyone to find attainable housing opportunities for themselves and their families. Meeting this goal requires a strong partnership that includes the County, its 39 municipalities, nonprofit agencies, for-profit housing developers, business and education leaders, our major employers, lenders, federal and state agencies.

As you take in the panel discussions, we hope you find the information to be informative, inspirational and beneficial to strengthen our communitywide efforts to mitigate the housing crisis. Together as a community, let's build a sustainable Palm Beach County!

Sincerely,

Paulette Burdick

Paulette Burdick
Mayor of Palm Beach County

Verdenia C. Baker

Verdenia C. Baker
County Administrator

HOUSING LEADERSHIP COUNCIL
OF PALM BEACH COUNTY

Welcome to the Palm Beach County Housing Summit 2017!
We are thrilled to have you join us.

The Housing Leadership Council of Palm Beach County (HLC) is pleased to partner with Palm Beach County to host the 2017 Housing Summit. As a community organization dedicated solely to policy solutions to address the affordability crisis, we are excited about the solution based panel discussions that will take place at the Summit.

The days are gone where we can depend on market cycles to provide a temporary reprieve from the high costs of housing. We need all housing stakeholders to continue to work on solutions that will provide long term, sustainable housing options for all our residents to address this very important issue. The Summit is filled with panelists who will share new ideas and expand upon efforts already taking place. We hope the different ideas to housing choices, housing sustainability, housing financing and policy changes, along with input from participants, will provide a framework for an Action Plan for our community to consider.

Palm Beach County is a great place to live, work, play and retire but it is not paradise if you can't afford to live here. The health, safety and welfare of our community and the strength of our overall economy hinges on an adequate supply of housing for our workforce, their families and all of our residents. Our vision is a community where housing is:

Affordable to all members of the community
Attainable in terms of lending, financing and availability
Appropriate whether it is rental or for sale, metropolitan, suburban or rural
Sustainable for the residents and the environment

We have a strong partnership of community leaders, major employers and housing stakeholders. Through our collective and collaborative efforts, as a community, we can build a sustainable Palm Beach County!

Sincerely,

Patricia Fitzgerald

Patricia Fitzgerald, Chair
Housing Leadership Council

Suzanne Cabrera

Suzanne Cabrera, President & CEO
Housing Leadership Council

Visit our website for more information: www.hlcpbc.org

Palm Beach County Housing Summit

AGENDA

8:00 Registration & Continental Breakfast

8:30 Welcome Honorable Paulette Burdick, Mayor, Palm Beach County Board of County Commissioners
Honorable Keith James, WPB Commissioner, President PBC League of Cities
H. William Perry, Chair of the Economic Council of Palm Beach County
Verdenia C. Baker, County Administrator, Palm Beach County

8:45 Overview – Edward "Ned" Murray, Ph.D, AICP Associate Director of Metropolitan Center at FIU

Panel Sessions: Solution Based Discussions

9:00 a.m. Panel One: Housing that is Attainable: Expanding the Options

Description: *This panel will focus on the latest trends, innovative tools and alternative models to increase attainable housing options and discuss different housing choices for the community to consider.*

Moderator... Lisa Sturtevant, PhD Senior Fellow at ULI, Urban Land Institute
Panelist ...... Craig Vanderlaan –Executive Director, Crisis Housing Solutions
Panelist ...... Laurel Robinson – Executive Director, West Palm Beach Housing Authority
Panelist ...... Brian Jackson – Senior VP of Land Acquisition and Development, EYA

9:45 a.m. Panel Two: Housing Sustainability: Making the Connection

Description: *This panel will discuss the nexus between economic sustainability and housing and how to integrate strategies to ensure housing development is keeping pace with growth in our community.*

Moderator... Ronald Davis – President, Mosnar Group
Panelist ...... Cindee LaCourse Blum – Executive Director, Community Land Trust of Palm Beach County
Panelist ...... John Csapo – Chief Development Officer, The Kolter Group
Panelist ...... PBC Commissioner Steven Abrams – Vice Chair, SF Regional Transportation Authority

10:45a.m. Panel Three: Financing: Covering the Costs

Description: *This panel will discuss ideas to create a local dedicated housing funding source and strategies to remove financial barriers that begin long before the first shovel is put in the ground and persist to the point of putting a resident in the unit.*

Moderator... Ana Castilla – Vice President, Community Development Manager for South Florida, TD Bank
Panelist ...... John "Jack" Weir – President, Eastwind Development
Panelist ...... Jason Kaye – Senior Vice President, Bank of America
Panelist ...... Danny Gardner – Vice President, Freddie Mac

11:30 a.m. Panel Four: Policy Formulation & Regulatory Barriers: What Needs to Be Changed

Description: *This panel will discuss recommendations for policy makers to consider to reduce regulatory and policy barriers to supercharge the local housing efforts.*

Moderator... Morris "Skip" Miller, Esq. – Shareholder, Greenspoon Marder
Panelist ...... Armando Fana – Director of Housing and Community Development, City of West Palm Beach
Panelist ...... Tony Palumbo – Real Estate Acquisition Director, Pulte
Panelist ...... Michael Weiner, Esq. – Sachs, Sax and Caplan, P.L.

12:30 p.m. LUNCH

Bringing It All Together: Next Steps

Keynote Speaker- Henry Cisneros – Former HUD Secretary

Closing Remarks: Verdenia C. Baker, County Administrator, Palm Beach County

Palm Beach County Housing Summit 2017

SOLUTIONS FOR INCREASING ATTAINABLE HOUSING IN PALM BEACH COUNTY

White Paper Executive Summary

As a primer for the Summit, a White Paper on the current state of attainable housing in Palm Beach County was provided to Summit registrants. The White Paper sets forth data on income and population, the existing need for attainable housing and available sources of attainable housing within the County. It sets the foundation for the Summit panelists' presentations and a dialogue about new housing solutions that could be considered for our community. Below is a summary of the main points addressed in the White Paper.

- "Attainable Housing" is housing for which the occupants pay no more than 30% of household income toward housing expenses, which may include rent or mortgage, utilities, taxes, association fees and insurance.
- The "Area Median Income" (AMI) for Palm Beach County, in 2017, is $67,900 for a household of four, and has slightly increased over the past decade.
- The median price in March 2017 for single family homes was $325,000, up 8.9% from March 2016, and for condos and townhouses was $162,000, up 4.5% from March 2016. Housing costs vary widely across area communities. Sales prices do not include HOA and/or other assessments and fees.
- According to the Florida Housing Data Clearinghouse, in 2015 approximately 45% of Palm Beach County households paid more than 30% of income for housing, and about 23% paid more than 50% of income for housing.
- Limited availability, cost of land and construction costs present significant challenges in providing attainable housing, along with accommodation of the higher densities often necessary to provide attainable housing.
- Many families choose to live farther from employment centers to reduce housing costs, but in doing so, their transportation costs increase dramatically. This can also create a major issue for businesses because it impacts employee recruitment and retention.
- Rehabilitation of existing units, the use of surplus government-owned land and converted non-residential properties, i.e. commercial structures, can also be potential sources of attainable housing.
- Current tools utilized in Palm Beach County to create and encourage attainable housing include the Workforce Housing Program, Community Land Trusts, Community Redevelopment Areas, efforts by non-profit developers and various county, state and municipal resources.
- The efforts of housing agencies and local governments have not resulted in sufficient numbers of attainable units being built. Only a fraction of the County's attainable housing needs can be met by new construction undertaken by market rate developers through the inclusionary zoning program. Additional strategies must be put in play, and attainable housing must remain a priority for our community.
- Attainable housing requires complementary, collaborative efforts among federal, state, local, and non-profit agencies, cities and County, developers of housing and non-residential uses, employers, business leaders and residents, as the entire community benefits from a sustainable, viable workforce. We hope this Summit can be the impetus for providing an equitable structure and solutions for this issue.

The full version White Paper is available at the websites of
Palm Beach County's Department of Economic Sustainability,
Planning, Zoning and Building and Housing Leadership Council.

Keynote Speaker

Henry Cisneros

CITYVIEW

Smart Capital for Smart Growth™

Henry Cisneros is Chairman of the CityView companies, which work with urban home-builders to create homes priced within the range of average families. CityView is a partner in building more than 60 communities in 13 states, incorporating more than 7,000 homes with a home value of over $2 billion. Mr. Cisneros is the Chairman of the Executive Committee for Siebert, Cisneros, Shank, & Co., L.L.C a municipal finance firm and a top corporate underwriting firm in Wall Street.

Mr. Cisneros' community-building career began at the local level. After serving three terms as a City Councilmember, in 1981, Mr. Cisneros became the first Hispanic-American mayor of a major U.S. city, San Antonio, Texas. During his four terms as Mayor, he helped rebuild the city's economic base and spurred the creation of jobs through massive infrastructure and downtown improvements. In 1984, Mr. Cisneros was interviewed by the Democratic Presidential nominee as a possible candidate for Vice President of the United States and in 1986 was selected as the "Outstanding Mayor" in the nation by ***City and State Magazine***.

After completing four terms as Mayor, Mr. Cisneros formed Cisneros Asset Management Company, a fixed income management firm operating nationally and ranked at the time as the second fastest growing money manager in the nation.

In 1992, President Clinton appointed Mr. Cisneros to be Secretary of the U.S. Department of Housing and Urban Development. As a member of President Clinton's Cabinet, Secretary Cisneros was credited with initiating the revitalization of many of the nation's public housing developments and with formulating policies which contributed to achieving the nation's highest ever homeownership rate. In his role as the President's chief representative to the nation's cities, Mr. Cisneros personally worked in more than 200 U.S. cities in every one of the 50 states.

After leaving HUD in 1997, Mr. Cisneros was president and chief operating officer of Univision Communications, the Spanish-language broadcaster which has become the fifth-most-watched television network in the nation. Mr. Cisneros currently serves on Univision's Board of Directors.

Mr. Cisneros has served as President of the National League of Cities, as Deputy Chair of the Federal Reserve Bank of Dallas, and is currently an officer of Habitat for Humanity International. Mr. Cisneros remains active in San Antonio's leadership where he is former Chairman of the San Antonio Chamber of Commerce, the San Antonio Economic Development Foundation, and BioMed SA. He is currently on Univision's Board of Directors and a former member of the advisory board of the Bill and Melinda Gates Foundation.

Mr. Cisneros has been inducted into the National Association of Homebuilders (NAHB) "Builders Hall of Fame" and honored by the National Housing Conference as the "Housing Person of the Year."

Mr. Cisneros has also been author or editor of several books including: ***Interwoven Destinies: Cities and the Nation***. His book project with former HUD Secretary Jack Kemp, ***Opportunity and Progress: A Bipartisan Platform for National Housing Policy***, was presented the Common Purpose Award for demonstrating the potential of bipartisan cooperation and ***Casa y Comunidad: Latino Home and Neighborhood Design*** was awarded the Benjamin Franklin Silver Medal in the category of best business book of 2006.

Mr. Cisneros holds a Bachelor of Arts and a Master's degree in Urban and Regional Planning from Texas A&M University. He earned a Master's degree in Public Administration from Harvard University, studied urban economics at the Massachusetts Institute of Technology, holds a Doctorate in Public Administration from George Washington University, and has been awarded more than 20 honorary doctorates from leading universities. He served as an infantry officer in the United States Army. Mr. Cisneros is married to Mary Alice P. Cisneros, who from 2007–2011 served on San Antonio's City Council and they have three children – Teresa, Mercedes, and John Paul – and four grandchildren.

2017 Panelists & Moderators

Commissioner Steven Abrams

Vice Chair, SF Regional Transportation Authority

Steven L. Abrams has been a member of the Palm Beach County Board of County Commissioners since 2009, winning re-election twice. He had the distinction of serving as the first mayor of Palm Beach County in 2013 and is currently the longest serving commissioner on the Board.

Commissioner Abrams has a lengthy record of public service. He is the former mayor of Boca Raton, elected in 2001 and re-elected in 2003 without opposition. In the 2005 election, Abrams received the most votes in city history and was later named mayor emeritus when he stepped down in 2008 due to term limits.

The Commissioner also served five terms as a city council member in Boca Raton from 1989 to 1999 and was a member of the city's Planning and Zoning Board between 1987 and 1989. Abrams is a past president of the Palm Beach County League of Cities and a founding board member of the Florida League of Mayors.

As mayor of Boca Raton, Abrams gained national exposure and local respect during the first bioterrorist attack in American history when anthrax was discovered at the AMI building in Boca Raton in 2001. He received the Distinguished Service Medal from the Israel National Police for his leadership during the ordeal and testified on national television on the government's response at the invitation of a United States Senate subcommittee.

Abrams is a member of the Florida and District of Columbia Bars. Prior to moving to Florida, he served in the White House as law clerk to the counsel to President Reagan and current Supreme Court Chief Justice John G. Roberts Jr.

While attending Harvard University, Abrams received the Philo Sherman Bennett Prize for the best government senior thesis and was graduated magna cum laude in 1980. He received his law degree from The George Washington University in 1985. In 2005, Everglades University awarded Abrams an honorary doctorate of humane letters.

Commissioner Abrams was born in Des Moines, Iowa and grew up in Philadelphia, Pennsylvania. He and Debbie have been married for 34 years and have two children.

Ana Castilla

Vice President, Community Development Manager for South Florida, TD Bank

Ana Castilla is Vice President, Community Development Manager for South Florida for TD Bank. She manages community relationships and supports regional market retail and commercial staff in developing and implementing responsive community development lending, service and investment to revitalize and stabilize low-and moderate-income neighborhoods and financial empowerment for individuals in South Florida and along the Treasure Coast. Prior to joining TD Bank in 2014, Ana was the Regional Community Development Manager for the Federal Reserve Bank of Atlanta at the Miami Branch. In that capacity she served as a commissioned bank examiner in addition to her community and economic development specialty. She has published several research papers and articles in addition to speaking both nationally and internationally on topics including concentrated poverty, remittances, community development finance, and financial empowerment. Born and raised in the Washington DC area, Ana has lived in Miami for 27 years and is fluent in Spanish. She is active in numerous community development and professional groups in South Florida and serves on the board of directors of South Florida Community Development Coalition, Miami Homes for All, Florida Community Loan Fund, Broward Alliance for Neighborhood Development, Community Housing Partners, and is president of the board for Centro Campesino Farmworker Center. Ana has a Bachelor of Arts degree in Communication from Albertus Magnus College in New Haven, CT and an MBA from Florida International University.

John Csapo

Chief Development Officer, The Kolter Group

As the CDO of Kolter, John is responsible for overseeing the development of the firm's long-term strategic assets, with a particular focus on land use and entitlement.

At Kolter, John has helped to guide the company's development activities. John has overseen the acquisition and development of high-rise, low-rise, and master-planned communities realized for over $3 billion. He has also been instrumental in the acquisition of additional residential developments with expected sell-out value in excess of $6 billion. Prior to joining Kolter, John served as Executive Vice President of St. Andrews Development Company.

John earned a BA degree from Princeton University and is a licensed Florida general contractor.

Ronald A. Davis

Founder and President, Mosnar Group, LLC

Mr. Davis has an extensive management background with over thirty-five years experience in a variety of executive management positions in the public and private sectors. As a former City Manager in Riviera Beach, FL and Assistant City Manager in West Palm Beach, FL Ron gained valuable local government management and community/economic development experience in South Florida. While serving as Senior Assistant for Community & Economic Development Policy to former FL Governor and U.S. Senator Bob Graham, he researched, developed, and managed numerous statewide community redevelopment initiatives. Additionally, Ron served as Assistant Superintendent for Business Affairs for the School District of Palm Beach County, and Deputy Director of Finance and Revenue for the District of Columbia Government (Washington, DC).

In the corporate sector, Ron has managed corporate divisions with responsibility for real estate and development, business development, marketing, management consulting, and governmental relations. His experiences include Vice President, Infrastructure Management Group in Bethesda, MD; Executive Vice President for Real Estate, Capital Asset Research Corporation, Palm Beach Gardens, FL; and Executive Vice President, Dominion Developers, Miami, FL. He is the Founder and President of Mosnar Group, LLC, a West Palm Beach based real estate development and advisory firm.

In addition to his business commitments, Mr. Davis also serves as on the Board of Trustees, New Bethel Missionary Baptist Church in West Palm Beach, FL; Chairman of the Board, Northwest Community Consortium, Inc., and a member of the Omega Psi Phi Fraternity, Inc.

Ron received a B.A. degree in Business Administration from Morehouse College and earned a Masters degree in Public Policy from the University Michigan. He is the son of Arthur L. (deceased) and Alethia R. Davis of West Palm Beach

Armando Fana

Director of Housing and Community Development, City of West Palm Beach

Armando Fana's experience with housing and social service issues in South Florida span 20 years. During his tenure as a Program Manager for the Broward County Workforce Development Board he played an important role in the implementation of welfare reform and workforce development programs within Broward County, FL. Armando was also the Director of the Hollywood, FL Workforce One Center from 2001-2003 where he managed the delivery of workforce development and welfare programs. He joined the Department of Housing and Urban Development (HUD) in 2005 as the Field Office Director for the Miami Field Office, which covers the 10 southernmost Florida counties. In his role as Field Office Director Armando served as the highest ranking, local HUD official and the Secretary of HUD's local representative, insuring that HUD programs and services were being delivered effectively to the community.

In 2015 he joined the City of West Palm Beach as the Director of Housing and Community Development. In that role he is responsible for the oversight of funding and programs that provide attainable housing, community and economic development programs and social services to residents of the City of West Palm Beach. He has a Bachelor's Degree in Business Management and an Associate in Science Degree in International Business Management and is a veteran of the U.S. Coast Guard where he served for 7 years. He previously served as a member of the Board of Directors for the South Florida Federal Executive Board and is now serving as a Board Member for ChildNet and Palm Beach County Community Action Advisory Board.

At JPMorgan Chase, we are committed to our communities and work with a diverse group of partners to provide creative and innovative solutions that respond to community development and affordable housing needs. These partnerships are essential to making a meaningful impact on communities, their residents and businesses.

We proudly support the Housing Leadership Council of Palm Beach County and the 2017 Palm Beach County Housing Summit.

Danny Gardner, Vice President

Vice President, Single Family Affordable Lending and Access to Credit, Freddie Mac

Danny has led Freddie Mac's Single-Family Affordable Lending and Access to Credit business since joining the company in March 2015, bringing over 24 years of mortgage banking experience. He spent most of his career in leadership roles focused on providing opportunities for families to buy their first homes. As leader of CRA Lending for the mortgage businesses of Citibank and Capital One and chief operating officer of the National Community Stabilization Trust, he helped municipalities and non-profits reclaim neighborhoods devastated by the foreclosure crisis.

Danny also spent a large part of his career working with State and Local Housing Finance Agencies by serving as Program Administrator and Master Loan Servicer for first-time home buyer programs.

He is a lifelong Texan – although he currently lives in Northern Virginia – and enjoys spending time with his wife and two kids.

Brian Allan Jackson

Senior VP of Land Acquisition and Development, EYA

Brian Allan Jackson is Senior Vice President of Land Acquisition and Development and a Partner. He is a member of the firm's Executive Committee as well as its Investment Committee. Mr. Jackson has a decade of experience working with public-sector organizations on real estate and public policy issues. Mr. Jackson is the acting President of the Maryland National Capital Building Industry Association (MNCBIA), and serves as Chairman of the Washington, DC Liaison Committee. In addition, he is a full member of the Urban Land Institute, where he serves on the Public Private Partnership Council and a member of the African-American Real Estate Professionals Association. Mr. Jackson has a BA in economics from the University of Alabama and an MBA with Distinction from the Harvard Business School.

Jason Kaye

Senior Vice President, Community Development Banking, Bank of America

Jason Kaye is a Senior Vice President in the Community Development Banking Group at Bank of America. In this role, Jason provides financing for multifamily affordable housing throughout Florida. He began his career with the NYC Economic Development Corporation and worked on Mayor Michael Bloomberg's "South Bronx Initiative" to redevelop and revitalize the South Bronx. Jason graduated with a B.A. in Political Science from Binghamton University. He also holds an M.R.P. from Cornell University with a focus on Economic Development and an M.S. in Real Estate Finance from NYU.

Cynthia LaCourse-Blum

Executive Director, Community Land Trust of Palm Beach County, Inc.

Cindee LaCourse-Blum is the founding Executive Director of the Community Land Trust of Palm Beach County, Inc. She is responsible for developing and overseeing all programs, projects, services, and policies of the organization. LaCourse-Blum manages all aspects of real estate development for the organization including acquisition, rehabilitation, disposition and new construction; obtaining public financing; coordinating due diligence and entitlement; and property management. She is also responsible for all budgeting, tracking, and reporting finances to constituents and government. During her tenure as Executive Director, LaCourse-Blum has been responsible for project management and contract administration of over $12 million in Federal and State funds and for the redevelopment of 32 single family homes, 80 multi-family rental units with another 24 single-family homes and townhomes under construction and another 8 single family homes in the pipeline.

LaCourse-Blum has fifteen years of experience working in the affordable housing and community development industry in both the public and non-profit sector. She received a Bachelor of Arts in Political Science from the University of Colorado at Denver where she also attended the Graduate School of Politics and Public Policy.

Morris "Skip" Miller

Attorney, Greenspoon Marder, P.A.

Morris G. (Skip) Miller is a Shareholder in the West Palm Beach office of Greenspoon Marder, P.A. A member of the Firm's Public Finance Department, Mr. Miller focuses on public finance and representation of non-profit entities. Over the past 30 years, he has served as bond counsel, underwriter's counsel, borrower's counsel (for profit and not-for profit), lender's counsel or issuer's counsel on well over 400 financings of various types throughout the United States. Mr. Miller is presently general counsel to the Housing Finance Authority of Palm Beach County.

He has extensive experience in municipal finance transactions of all types, including taxable bonds, bond issues for not-for-profit organizations, mini bonds, community redevelopment financing, special taxing districts, healthcare financings, and single- and multi-family housing revenue bonds. Mr. Miller frequently appears as a speaker on topics of local government and public finance law.

Mr. Miller received his J.D. from the University of Florida College of Law in Gainesville, Florida, in March of 1979, and a Bachelor of Science in Social and Behavioral Sciences, concentrating in Urban Development and Planning, from The Johns Hopkins University, Baltimore, Maryland, in May of 1976. He is a member in good standing of The Florida Bar, the Palm Beach County Bar Association and the National Association of Bond Lawyers. Mr. Miller is AV® rated by Martindale-Hubbell. Mr. Miller is a past Chair, and is currently the Vice Chair and Chair of the Public Policy Committee of the Housing Leadership Council of Palm Beach County.

Ned Murray, Ph.D., AICP

Associate Director of Florida International University Metropolitan Center

Dr. Ned Murray, AICP, is the Associate Director of the Florida International University Metropolitan Center. Dr. Murray has over 20 years of professional and academic experience in city planning and economic development.

Dr. Murray is a leading expert in the areas of urban planning and economic development. He has served as principal investigator (PI) on many landmark planning and economic studies in South Florida including the City of Miami Florida East Coast (FEC) Railway Corridor Strategic Redevelopment Plan which resulted in the development of Midtown Miami including the recently completed Miami-Dade County Prosperity Study. He has also authored many of the leading housing studies in South Florida in the past ten years for Broward, Miami-Dade, Palm Beach, and Monroe Counties and recently served as Principal Investigator on the Broward County Housing Linkage Fee Nexus Study and Rental Housing Study for Palm Beach and Martin Counties. Dr. Murray developed the "Municipal Scorecard for Affordable Housing Delivery©" model which was used in the Palm Beach and Broward Counties' affordable housing needs assessments.

Dr. Murray is the former editor of American Planning Association Economic Development Division (APA/EDD) publication, News and Views and has presented and written numerous articles on urban planning and economic development including published articles in Economic Development Quarterly, the Economic Development Journal and the Journal of Public Affairs Education. He holds a Ph.D. in Urban and Regional Planning with a concentration in economic development from the University of Massachusetts at Amherst and is a professionally certified planner with the American Institute of Certified Planners (AICP).

Tony Palumbo

Real Estate Acquisition Director, Pulte

Tony Palumbo, Director of Land Acquisitions for PulteGroup in Southeast Florida. PulteGroup currently has the following communities under development in Palm Beach County – The Fields (Branded Divosta Homes is 920 single-family and townhomes in Lake Worth), Sonoma Isles (Branded Divosta Homes is 275 luxury homes in the Town of Jupiter), Boca Flores (Branded Pulte Homes is 132 Carriage homes in the heart of Boca Raton) and Preston Square (Branded Pulte Homes is 164 townhomes in the Village of Palm Springs). Besides his role as land acquisitions lead at PulteGroup, Tony Palumbo has been involved in South Florida's Real Estate industry for over 25 years. Tony suggests that his focus on new land opportunities is more like being in the land manufacturing business in the 3 counties that make up our Gold Coast and looking is always looking for great locations in the 3 counties that make up the Treasure Coast.

Laurel Robinson

Executive Director, West Palm Beach Housing Authority

Laurel Robinson has been the Executive Director of the West Palm Beach Housing Authority since January, 1999. She previously served as the Director of the Bristol Housing Authority in Connecticut, after a career in private property management. She has served in leadership positions in several national housing organizations, including the National Association of Housing and Rehabilitation Officials and the Public Housing Authorities Directors Association and the Florida Association of Housing and Redevelopment Officials. She is a current board member of the Housing Leadership Council of Palm Beach County and serves on its Public Policy committee. The West Palm Beach Housing Authority's Board of Commissioners and staff have embarked on repositioning the agency to survive and thrive in the 21st century. One of the first housing authorities to convert a substantial portion of its portfolio to the Rental Assistance Demonstration program, the agency has also developed over 30 acres of land with public/private partnerships leading to 481 new units of multiple housing programs, including Tax Credit, Project Based Voucher and traditional public housing. Moving into providing homeownership opportunities, the housing authority has 12 single family homes on the drawing board, as well as an additional collaboration in the works to build 37 townhomes. As The Housing Center of the Palm Beaches, the agency also functions as Baobab Development, Pine Ridge Holistic Living Center (providing supportive services and qualified as a CHDO in the City of West Palm Beach) a Florida Licensed General Contractor and a Tax Credit Property Management Company. Ms. Robinson holds a Masters Degree in Public Administration from the University of Hartford and is a member of Executive Women of the Palm Beaches, the Forum Club and serves on the Board of the West Palm Beach Police Athletic League.

Lisa Sturtevant, Ph.D

Fellow, Urban Land Institute

Lisa Sturtevant, Ph.D., president of Lisa Sturtevant & Associates and former vice president for research at the National Housing Conference, joined the ULI Terwilliger Center for Housing as a senior visiting fellow on July 1, 2016.

Sturtevant will play an integral role in the Terwilliger Center's rapidly growing research activities, which includes work on demographics, financing, market trends, and public policy. Her work will focus initially on the nexus of housing costs and regional economic competitiveness, the housing needs and preferences of first and second generation immigrants, and emerging issues in residential development that are priorities for ULI's District Councils.

Sturtevant has been involved in research and analysis on local economic, demographic and housing market conditions for more than 15 years. Her primary areas of research include housing, migration, demographics and regional economic development. She specializes in comprehensive housing market analyses, affordable housing needs assessments, and housing program and policy evaluation and development.

In addition to her role as vice president for research at the National Housing Conference (NHC), Sturtevant served as director of the Center for Housing Policy between 2013 and 2016. She was responsible for setting NHC's research agenda and managing ongoing research projects. During her time at NHC, Lisa was particularly focused on developing best practices for local affordable housing policy and planning and connecting NHC's research to the broader housing community.

She received a Doctorate Degree in Public Policy from George Mason University in May 2006; her dissertation was on the residential location choices of recent immigrants. She received a Master's Degree in Public Policy from the University of Maryland and a Bachelor of Science degree in mathematical economics from Wake Forest University.

Craig Vanderlaan

Executive Director, Crisis Housing Solutions

Craig Vanderlaan is the Co-Founder and Executive Director of Crisis Housing Solutions (CHS), a non-profit 501(c)(3) HUD Housing Counseling Agency. CHS was founded as Adopt A Hurricane Family by Craig and his wife, Lisa, in response to the devastation wrought by Hurricane Katrina in 2005.Through community collaboration, CHS has successfully assisted over 3,000 families with sustainable housing solutions. In addition to providing foreclosure prevention services, first-time homebuyer assistance and their Community Stabilization Initiative of rehabbing and selling REO properties to low-to-moderate income families, CHS is focused on developing innovative and affordable housing. Active in the community, he has served on numerous committees, including the Broward Recovery Coalition's steering committee, Florida VOAD and as Chair of the Town of Davie and City of Tamarac Affordable Housing Advisory Committees. He received a B.A. degree from St. Thomas University in Criminal Justice with a minor in Economics.

Michael Weiner, Esq.
Sachs, Sax and Caplan

Michael S. Weiner, Esquire was born in Cleveland, Ohio. He attended Washington & Jefferson College where he graduated Magna Cum Laude. He was then accepted into the University of Michigan Law School and graduated in May, 1974.

After beginning his career as a tax attorney, Mr. Weiner turned to the narrow specialty of tax planning for real estate developers. Mr. Weiner first became familiar with redevelopment by being involved in the Tower City project in Cleveland, Ohio in the late 1970's.

Upon moving to Delray Beach, Florida he took an active interest in real estate opportunities afforded by South Florida. In March 1986, Mr. Weiner opened his own firm which was in tandem with the rebirth of Delray Beach, Florida.

As an attorney, Mr. Weiner specializes in solving his client's problems relating to redevelopment and is a sought-after speaker before various City and County Commissioners, Chambers of Commerce, local civic clubs and groups about the importance of the revitalization of urban centers. Mr. Weiner has shown that through proper planning there can be profits both for the individual and for the community in redevelopment. His success has led to the resurgence of a number of different neighborhoods in several South Florida municipalities, most notably Delray Beach, Florida. As a past Chairman of the Palm Beach County Planning Commission he helped set policy on the County's tier system and urban redevelopment plan.

John "Jack" Weir
Managing Member, Eastwind Development

John "Jack" Weir is the President of Eastwind Development, LLC and Eastwind Acquisitions, LLC. Eastwind, based in Palm Beach Gardens, Florida, focuses on the development and acquisition of multifamily housing in Florida and the Southeast U.S. Previously, Weir was Senior Vice President of Creative Choice Homes, Inc., based in Palm Beach Gardens, Florida, from 1994-2007. Mr. Weir served as chief operating officer for the company, was responsible for all strategic and project financing, and oversaw all acquisition and development activities. He was directly responsible for the financing, closing and development of over 40 multifamily projects involving over 6,000 multifamily units in Florida and five other states, as well as multiple additional closings and financings.

He has extensive experience in arranging construction, permanent, mezzanine loan and equity financing from a wide range of banking, insurance and institutional capital sources. He is well-versed in the intricacies of the housing tax credit, has extensive experience with multifamily tax-exempt bond and credit enhancement programs, as well as all major federal, state and local public loan programs.

Prior to his involvement in housing finance, Mr. Weir was a corporate and securities attorney with the firm of Debevoise and Plimpton in New York City. He is a graduate of Harvard Law School, attended the University of St. Andrews in Scotland on a Rotary Fellowship, and received a B.A. from the University of Scranton. He has been admitted to the bar in Florida, New York and New Jersey.

Palm Beach County Housing Summit Steering Committee

Derrick Berry
CEO, Buccaneer Mortgage

Patrick Eichholtz
Community Partnership Relationship Officer, JP Morgan Chase

Armando Fana
Director, Housing and Community Development, City of West Palm Beach

Patricia Fitzgerald
Realtor, Illustrated Properties

Dennis Grady
Executive Director, Chamber of Commerce of the Palm Beaches

Annetta Jenkins
Director of Neighborhood Services, Riviera Beach CRA

David Kanarek
Land Project Manager & HOA Manager, Southeast Florida, Pulte Homes

Dr. Gonzalo La Cava
Chief of Human Resources, Palm Beach County School Board

Cindee LaCourse- Blum
Executive Director, Community Land Trust of Palm Beach County

Matthew Leger
Vice President of Public Policy, Realtors® Association of the Palm Beaches

Morris "Skip" Miller
Attorney, Greenspoon Marder, P.A.

Kevin Ratterree
Vice President, GL Homes

Rick Reikenis
President, Reikenis & Associates LLC

Jessica Shapiro
Attorney, Gunster

Michael Weiner
Attorney, Sachs, Sax and Caplan, P.L.

Jack Weir
President, Eastwind Development

Committee Co-Chairs

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County Administrator, Palm Beach County

Suzanne Cabrera
President and CEO, Housing Leadership Council of Palm Beach County

Faye W. Johnson
Assistant County Administrator, Palm Beach County

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District 4
Mary Lou Berger
District 5
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District 7

THLC
HOUSING LEADERSHIP COUNCIL
OF PALM BEACH COUNTY

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Scott MacLachlan
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Morris G. "Skip" Miller (Vice Chair)
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Ron Pietkewicz
Vice President, Home Loans Manager, Bank of America

Rick Reikenis, P.E., NLEES, LEED AP
President, Reikenis & Associates LLC

Laurel Robinson
Executive Director, West Palm Beach Housing Authority

Jack Weir
President, Eastwind Development

Thank you for attending

A Special Thanks to our Sponsors

EXHIBIT 6

THLC
HOUSING LEADERSHIP COUNCIL
OF PALM BEACH COUNTY

Study of Housing Preferences

The Housing Leadership Council needs to conduct research to learn more about the housing needs and preferences for members and potential members of our workforce. Extensive research has been done to document the actual shortage of affordable units (rental and for sale) for our existing and potential workforce. After a Countywide Housing Summit, regional committees were created to develop housing plans and each regional committee has been meeting since November of 2017. After initial meetings it became apparent additional research is required to make more informed decisions on the types of development/redevelopment that will best meet the needs of our workforce. Findings from research and vacant land surveys indicate our plans will need to include a great deal of redevelopment (many underused/abandoned strip malls) and infill. Newer homes are being constructed but will be much farther from employment and urban centers. In order to best design these redeveloped/infill spaces we need a survey on housing preferences. Other studies researching housing preferences have been conducted but won't fit our needs since South Florida is a unique area with which, in some ways, restrict some amenities and resources (no basements, limited public transportation on evenings/weekends) but in other ways offers potentially enhanced opportunities (beaches, year round outdoor activities).

The regional committees have defined the targets for this outreach effort which include:

- Millennials
- Students in the Florida Higher Education System with a focus on STEM majors
- Workers engaged in Bio-Tech industries
- Educators, Medical Allied fields, Law Enforcement
- Entrepreneurs

This research will be conducted through survey studies and combination of quantitative and qualitative research, along with extensive stakeholder input, to inform the workforce enhancement recommendations. The end result will be valuable tools for the Regional Steering Committees to determine the best design and options for redeveloped/infill spaces considering such things as:

- Housing Preference type (Rental of Multifamily Unit, Home)
- Size of unit
- Green features desired and the importance of those features
- Smart Home features
- Security features
- Open Space
- Location
- Tradeoffs (longer commute for enhanced amenities, larger units, yards)

We also want to conduct a survey of employers to assess the awareness of the housing issue and their commitment/willingness to address the issues through programs such as employers assisted housing.

We anticipated the research will be conducted through surveys, interviews, and focus groups which will focus on current members of our workforce and potential members of our workforce (employees considering relocation and students).

Statically validated poll	$25,000
Development of on-line, in-depth survey	$5,000
Focus Groups (4)	$10,000
Final Report	$5,000
Total Cost of Project	**$45,000**

EXHIBIT 7

The Section 203(k) Loan Program

Turning "Fixer-Uppers" into Dream Homes

About the Section 203(k) Loan Program

If you want to buy a home that needs repair or finance needed repairs to your current home, the Section 203(k) loan program by the U.S. Department of Housing and Urban Development (HUD) may be a good option for you. This program allows you to finance the purchase of a house—or refinance your current mortgage—and include the cost of its repairs through a single mortgage.

The Section 203(k) loan program is HUD's primary program for the rehabilitation and repair of single family properties. Section 203(k) loans are provided through HUD-approved mortgage lenders nationwide and insured by the Federal Housing Administration (FHA), which is part of HUD. "Section 203(k)" refers to the law, part of the National Housing Act, which allows FHA to make this mortgage insurance available. The loans are beneficial for low- and moderate-income individuals or families since the loan downpayment can be as little as 3 percent. While individuals, local governments, and non-profit organizations may participate as borrowers in the program, the property must be used as a principal residence by an individual or family.

How the Loan Works

You can take out a Section 203(k) loan as a 15- or 30-year fixed-rate mortgage or as an Adjustable Rate Mortgage (ARM) from a HUD-approved lender. The total amount of your mortgage will be based on the projected value of your home after the renovation is completed, taking into account the cost of the work. A portion of your loan is used to pay for the purchase of the home, or in the case of a refinance, to pay off any existing debt. The remainder is placed in an interest-bearing account on your behalf and released in stages as rehabilitation is completed.

FHA requires that you use a minimum of $5,000 toward eligible repairs or improvements and that you complete the repairs within six months after the loan's closing depending on the extent of work to be completed. This first $5,000 primarily covers eliminating building code violations, modernizing, or making health and safety-related upgrades to the home or its garage. You may add minor or cosmetic repairs after this requirement is satisfied, if applicable. You cannot include improvements for commercial use or luxury items, such as tennis courts, gazebos, or new swimming pools.

Eligible Homes

You may use a 203(k) loan to finance the rehabilitation of the following types of properties. Cooperative units and investment properties are not eligible.

1. A one- to four-unit residence that has been completed for at least one year. Examples include detached homes and townhouses.
2. Condominiums in one- to four-unit buildings (interior improvements only; additional restrictions apply).
3. Mixed-use residential properties that include commercial space.
4. Conversion of a one-unit residence to a two-, three-, or four-family dwelling.
5. Conversion of an existing multi-unit dwelling down to a one- to four-family unit.

6. An existing house or modular unit on another site that can be moved onto the mortgaged property. Release of loan proceeds for the existing structure on the non-mortgaged property is not allowed until the new foundation has been properly inspected and the residence has been properly placed and secured to the new foundation.
7. Homes that have been demolished or will be razed as part of rehabilitation work if some of the existing foundation remains in place.

Eligible Home Improvements

The Section 203(k) loan covers a range of home improvements. These include, but are not limited to, the following:

- Remodeling bathrooms or a kitchen, including new built-in appliances
- Replacing a roof, gutters, and downspouts
- Adding a family room, bedrooms, or bathrooms
- Replacing flooring, tiling, or carpeting
- Completing a basement or attic conversion or adding a second story
- Expanding or building a garage or carport
- Renovating a deteriorating property, such as repairing a chimney, termite damage, or structural problems
- Upgrading plumbing, heating, air conditioning, or electrical wiring
- Eliminating health and safety hazards, such as removing lead-based paint
- Making the home accessible to the disabled
- Installing a well or a septic system
- Adding a porch, deck, or patio
- Adding or repairing siding or repainting
- Installing energy efficient windows or doors
- Repairing an existing swimming pool

Helpful Options

If you are not planning to live in the home during construction, you may finance up to six months of mortgage payments during the renovation period. In addition, you may act as your own general contractor or do the actual repair work yourself, if you are qualified. Any money you save this way can be used for cost overruns or additional

improvements. You can be reimbursed only for actual material costs, not for your own labor.

How to Apply and Get More Information

Once you find the property that you wish to purchase and conduct a preliminary feasibility analysis with your real estate professional, or if you are already living in the residence you plan to repair, you should find a HUD-approved lender who will help you understand the next steps and details of the 203(k) loan program. Because many borrowers need professional help in determining needed repairs or improvements, your lender will assign a 203(k) consultant to assist you in planning the work and developing cost estimates. The consultant will perform the home inspection, identify needed repairs or improvements, including health and safety problems, and provide a work write-up and cost estimate to you. You also can contact a HUD-approved housing counseling agency or check the HUD website to get more information about the program.

Information Resources

Internet

www.hud.gov or **espanol.hud.gov.**
More details about the Section 203(k) loan program are on the HUD website in English and Spanish.

HUD-Approved Housing Counseling Agency Locator

HUD supports a network of approved housing counseling agencies that provide counseling services across the nation. For a complete list of HUD-approved agencies in your area, call the HUD housing counseling referral line toll-free at **1-800-569-4287** or visit the HUD website at **www.hud.gov**.

HUD-Approved Lenders

A searchable database of HUD-approved lenders, including banks, mortgage companies, and credit unions, is available on the HUD website at **www.hud.gov**.

Fannie Mae®

HomeStyle® Renovation Mortgage

The HomeStyle Renovation mortgage provides a convenient and flexible way for borrowers considering home improvements to make repairs and renovations with a first mortgage, rather than a second mortgage, home equity line of credit, or other more costly methods of financing. As announced in *Selling Guide* Announcement SEL-2017-02, we've simplified and expanded eligibility for HomeStyle Renovation to help lenders better meet the needs of today's borrowers. Enhancements include:

- The maximum allowable loan-to-value (LTV), CLTV, and HCTLV ratios have been increased to 97% for 1-unit, principal residence, fixed-rate, purchase and limited cash-out refinance (LCOR) transactions. (Note: For LTVs > 95%, on purchase transactions, the borrower must be a first-time home buyer unless combined with HomeReady; for LCOR transactions, the loan must be owned or securitized by Fannie Mae.) (Available in Desktop Underwriter® (DU®) on March 17.)
- The limit on eligible renovation funds has been increased to 75% of the lesser of the purchase price plus renovation costs, or the "as completed" appraised value for purchase transactions; and 75% of the "as completed" appraised value for refinance transactions. (Available in DU on March 17.)
- Manufactured housing (MH) is eligible with HomeStyle Renovation, with the eligible renovation funds capped at the lesser of $50,000 or 50% of the "as completed" appraised value. MH follows standard MH LTV ratio requirements. (Available in DU on March 17.)
- HomeStyle Renovation loans may be eligible for representations and warranties relief once the renovation has been completed and recourse removed.

> **NOTE:** *Lender approval is required to deliver HomeStyle Renovation loans to Fannie Mae prior to completion of the work. Lenders must have two years of direct experience originating and servicing renovation mortgages within the past five years, and meet certain financial capacity and operational requirements. See Selling Guide B5-3.2-01: HomeStyle Renovation Mortgage: Lender Eligibility for details, and contact your Fannie Mae customer delivery team for assistance.*

Loan Purpose	Purchase or LCOR.
Loan Type/Term	15- and 30-year FRMs and all eligible ARM products.
Property and Renovation Eligibility	▪ One- to four-unit principal residences, one-unit second homes, or one-unit investment properties, including units in condos, co-ops, and PUDs. ▪ MH is eligible, with the eligible renovation funds capped at the lesser of $50,000 or 50% of the "as completed" appraised value. (Available in DU on March 17.) ▪ Any type of renovation or repair is eligible, as long as it is permanently affixed to the property. Renovations should be completed within a twelve-month period from the date the mortgage loan is delivered.
Underwriting	DU and manual underwriting permitted.

Calculating the LTV and Maximum Mortgage Amount	For **purchase transactions**, loan-to-value (LTV) ratio is based on the lesser of: 1) purchase price and cost of renovation, or 2) the "as completed" appraised value. For **refinance transactions**, the LTV ratio is determined by dividing the original loan amount by the "as completed" appraised value of the property. MH is eligible with HomeStyle Renovation, with the eligible renovation funds capped at the lesser of $50,000 or 50% of the "as completed" appraised value. (Available in DU on March 17.) Borrower may not receive cash back at closing in any amount (Fannie Mae standard limited cash-out refinance of 2% or $2,000, whichever is less, is NOT PERMITTED for this product). Lenders should use the HomeStyle Renovation Maximum Mortgage Worksheet (Form 1035) to calculate the maximum mortgage amount.
Maximum LTV/CLTV/HCLTV (at Origination using DU*)	The following are maximum LTV/CLTV/HCLTV ratios for purchase or LCOR when HomeStyle Renovation mortgages are underwritten with DU* (note that borrowers can also qualify for up to 105% CLTV with eligible Community Seconds®): ▪ One-unit principal residence to 97% LTV/CLTV/HCLTV with FRM; 95% with ARM (Available in DU on March 17) (Note: For LTVs > 95%, on purchase transactions, the borrower must be a first-time home buyer unless combined with HomeReady; for LCOR transactions, the loan must be owned or securitized by Fannie Mae.) ▪ Two-unit principal residence to 85% LTV/CLTV/HCLTV with FRM/ARM ▪ Three- and four-unit principal residence to 75% LTV/CLTV/HCLTV with FRM/ARM ▪ One-unit second homes to 90% LTV/CLTV/HCLTV with FRM/ARM ▪ MH LTV/CLTV/HCLTV ratios principal residence to 95% FRM/ARM; second homes to 90% FRM/ARM (Note: 105% CLTV is not permitted with Community Seconds) One-unit investment properties: ▪ Purchase up to 85% LTV/CLTV/HCLTV with FRM/ARM ▪ LCOR up to 75% LTV/CLTV/HCLTV with FRM/ARM *For properties underwritten manually, credit score and other factors will determine LTVs. Refer to the Eligibility Matrix.
Subordinate Financing	Standard subordinate financing and Community Seconds are permitted. Refer to the Eligibility Matrix.
Property and Flood Insurance	Retain in the individual mortgage file evidence of property and flood insurance following completion of the renovation (a policy or policy declarations page). Confirm that the coverage has been increased, if necessary, to comply with Fannie Mae's standard property and flood insurance requirements.

Mortgage Insurance	Mortgage insurance, if required based on the applicable LTV calculation, must be in place before closing.
Contractors	▪ Borrower must choose his or her own contractor to perform the renovation. ▪ Lender must review the contractor hired by the borrower to determine if they are adequately qualified and experienced for the work being performed. The *Contractor Profile Report* (Form 1202) can be used to assist the lender in making this determination. ▪ Borrowers must have a construction contract with their contractor. Fannie Mae has a model *Construction Contract* (Form 3734) that may be used to document the construction contract between the borrower and the contractor. ▪ Plans and specifications must be prepared by a registered, licensed, or certified general contractor, renovation consultant, or architect. The plans and specifications should fully describe all work to be done and provide an indication of when various jobs or stages of completion will be scheduled (including both the start and job completion dates).
Borrower "Do-It-Yourself" Work	Borrowers can perform the renovation work themselves at the lender's discretion, provided that: ▪ The Do-It-Yourself financing does not exceed 10% of the as completed value. Note: Inspections are required for all work items that cost more than $5,000. ▪ The property is a one-unit owner-occupied home, and not a manufactured home. ▪ The reimbursement is limited to the cost of materials or the cost of properly documented contract labor (sweat equity may not be reimbursed).
Renovation Costs, Payment Reserves, and Contingency Reserves	Lender may advance funds of up to 50% of the cost of materials any time after closing of the loan to secure necessary supplies for the project. Renovation costs may include: ▪ Labor and materials. ▪ Soft costs (architect fees, permits, licenses). ▪ Contingency reserve (up to related to the cost of labor, materials, and soft costs for unforeseen extra costs in the renovation). The contingency reserve is optional unless the property is a 2- to 4-unit home. ▪ A payment reserve of up to six months PITIA is permitted when the borrower must vacate the property during renovation. The amount can be financed in the loan amount if the value will support such financing. The reserve is allowed only for the period in which the property is uninhabitable due to the renovations. (If monthly HOA fees are included in the renovation escrow account, the servicer must pay them on behalf of the borrower.) ▪ A contingency reserve of 10% of the hard and soft renovation costs is required for two- to four-unit properties; the contingency reserve may be financed or it may be funded separately by the borrower.

Lender Responsibilities for Renovation Work	■ The renovation and contingency funds must be placed in an interest-bearing custodial account. ■ The lender must manage the renovation funds during the work. ■ Unused funds must be applied as a curtailment to the unpaid mortgage balance. ■ Once the work is complete, the lender must obtain an Appraisal Update and/or Completion Report (Form 1004D) as evidence of completion.
Rep & Warrant Relief	Loans may be eligible for relief from representations and warranties once the renovation has been completed and recourse has been removed (restrictions apply).
Delivery Requirements	■ HomeStyle Renovation mortgages are eligible for whole loan or MBS execution. ■ HomeStyle Renovation must be delivered with the appropriate special feature codes (SFCs): • HomeStyle Renovation mortgage – SFC 215 • If renovations are completed at or prior to loan delivery – SFC 279 • If used with Community Seconds – SFC 118 • If used with HomeStyle Energy – SFC 375
Servicing	Lenders must follow standard procedures and guidelines in the *Servicing Guide* related to conventional first mortgages, as well as special requirements related to the Renovation mortgage. Minimum servicing is 0.25% for both fixed-rate products and ARMs. The lender may not sell or transfer servicing until the renovation work is complete.

EXHIBIT 8

AFFORDABLE HOUSING FINANCE

Key Guidelines for Developing Adaptive-Reuse Projects

Potential targets include vacant schools, mills, office buildings.

By Todd Gomez 4-7-2016

The adaptive reuse of vacant or underused real estate can have a transformative effect on cities across the United States. The preservation of iconic, even historic, properties can help to strengthen the fabric of a community and act as a catalyst to reinvigorate areas suffering from economic stagnation. Adaptive-reuse projects aren't just good for communities. They represent an excellent opportunity for developers, particularly given the fact that there is often less competition compared with new construction of affordable and mixed-income housing.

Todd Gomez

With interest in adaptive-reuse projects continuing to grow, below are three key guidelines for developers to consider:

Assessing a Property

Potential real estate targets for adaptive reuse include unoccupied schools, mills, office buildings, and factories in a variety of urban and suburban settings. When assessing a potential property for adaptive reuse, here are some key questions and criteria to keep in mind:

· **Will the project meet the local market's affordable housing needs?** Demand for housing is clearly a key component of any residential development decision. Developers should consider whether a mixed-income or 100% affordable project makes sense in the context of the local market. Other considerations include the need for housing targeted to specific generational cohorts, environmentally conscious residents, and/or job-specific interests (e.g. teachers, health-care workers, etc.);

· **Does the property offer access to parking, transportation, and tenant amenities like grocery shopping?** These elements are instrumental to the livelihood of the potential property's occupants, who, for example, may need access to public transportation to go to work;

· **Is the project in an area that includes predominantly vacant Class B, C, and D properties?**Conversions, which bring properties up in value, can have a catalytic effect on the local community;

· **Does a conversion make economic sense?** For example, are there physical restrictions to the building? What larger costs do developers need to understand from the upfront?;

· **Are there any environmental hazards that remain from old business use of a property?**Environmental hazards that remain from old business enterprises can have an impact on the adaptive reuse of old buildings. Developers must be careful around environmental due diligence before embarking on a project; and

· **Does the municipality have a defined redevelopment strategy?** With these types of developments, partnership between public and private entities is instrumental to develop and sustain affordable housing properties and the surrounding community.

Financing a Development

Understanding a municipality's defined redevelopment strategy is an important step in financing a development. Because adaptive-reuse projects help communities achieve many goals, developers are often eligible to receive low-income housing tax credits and grants from local, state, and federal policies designed to support affordable housing and/or economic development. Credits and grants sometimes relate to historic preservation or environmental benefit in addition to the creation of affordable housing. Two important questions to ask are:

· Are there subsidy resources available?

· Who will be the financing partners?

The Bank of America Merrill Lynch team recently financed the conversion of a former shoe mill built in 1896 in Middleborough, Mass., into 25 multifamily housing units that will be restricted to residents earning less than 60% of the area median income. The project was supported in part by $1 million in subsidy funding from the state in addition to federal housing tax credits that the bank purchased. This project is a good example of what can be accomplished through a combination of private and public support when clear community development goals are set beforehand.

Developing a Reuse Project

There are many partners involved in a reuse project, including developers, community representatives, state and/or local elected officials, state and/or city housing or economic development agencies, lenders, investors, and subsidy providers. To successfully manage an adaptive-reuse housing project, sponsors must get the support of all stakeholders and keep them informed throughout the course of the property's development.

Developers should also clearly articulate the benefits to both the site and the community. For example, a conversion of Class D office property to Class B residential property can not only create more safe, affordable housing, it can also create real economic and social value for the community.

Vacant buildings, great opportunities

Great opportunities can exist wherever there is underutilized real estate. Bank of America Merrill Lynch recently provided $7 million in construction financing and $7 million in low-income housing and historic tax credit investments to help turn an abandoned high school into 48 affordable senior housing units in Augusta, Maine. Other examples of projects that have helped to transform communities include the conversion of a textile complex into 62 new affordable housing units and the conversion of a vacant office building into 112 mixed-income units.

In addition to understanding and applying the basic adaptive criteria outlined above, it's also important to team up with experienced partners, including legal counsel, tax advisers, and other professionals in evaluating and structuring these projects. Using this guidance effectively, developers can help contribute to the economic revitalization of communities across the country.

EXHIBIT 9

Strip Mall Redevelopment To Become an Even Bigger Issue

Strip mall redevelopment should be on the agenda for almost every suburban government. This topic applies to small towns, small cities, and many central cities as well. Strip retail centers oriented primarily parallel to major streets or highways, with parking in the front, are the ultimate in automobile-oriented retailing.

Strip shopping centers may consist of a series of small convenience retail storefronts, such as the one shown above. Typically uses such as dry cleaners, beauty salons or barber shops, pizza joints, sandwich shops, or maybe a tiny locally owned pharmacy would occupy 1500-2000 square feet each.

Larger developments may include one or more anchor tenants, the most common being a grocery store. A chain drug store or even a smaller version of what is typically a big box, such as a Target or Walmart, might be included in the largest of this type.

Satellite stores might be in the same building or in other buildings sharing the same parking. Shapes of the largest building might fall into a straight line or an L shape or U shape. But we think all of these types bring many potential pitfalls, especially if they are not located at an important intersection.

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7 Reasons for Strip Center Decline

Many now have succeeded too well. As traffic clogs major arterial streets, it becomes less and less convenient to enter and exit from these strip centers. The convenience factor melts away.

1. Rents in strip centers in many parts of the U.S. are decreasing not only because of traffic congestion, but also because of changing shopping habits. The trend toward online shopping is now obvious to all but the most accomplished Luddites.
2. The recession of 2008-2012 also weeded out many of the retailers who had occupied strip center spaces. This included both failed national or regional chain stores and local mom and pop stores that once were successful.
3. Overbuilding of such space also is another factor in the over-supply that is clear to both citizen and professional observers in most metro areas. According to an **Urban Land Institute article**, there may be five to six times as much of this type of retail space as is needed. When developers find a money-making formula that works, they tend to overdo it. Who can blame them?
4. Larger retailers and fast food chains now have some experience with alternative layouts and looks that are more compatible with a traditional downtown or district setting. If they are no longer constrained from developing where millennials increasingly prefer to live in or near the urban core, these anchors of many strip malls will no longer be as motivated to remain in suburban type locations.
5. Developers may get too greedy and make mistakes. This could be a whole page in itself, but the list includes lack of focus, a location where many storefronts are not visible from the road, building too much space to fill up with the small mom-and-pop type uses, foolish choices such as building on a second story where space is not really at such a premium, a center that is too deep or too shallow, too much satellite space as compared to anchor store square footage, or parking that is not directly adjacent to storefronts.
6. We believe that tastes slowly are changing, with people actually realizing that a large expanse of parking lot is an ugly thing. The four rows of parking in front of the typical small strip shopping center may work for the development, but not for the community.

Let's explore a little further the phenomenon of younger people wanting to live in exciting and unpredictable urban environments, even preferring in some cases to forego automobile ownership in favor of more walkable environments.

In many cities, this hunger for urban life fades about the time that children arrive, but yet the demographic pattern of delayed marriage and child-rearing means that for a number of years, young people who are establishing households want to walk through an urban type environment.

All of this adds up to decreased demand for retail activity along highways and major streets, and in the suburbs or in suburban-type built environments, regardless of whether inside the boundaries of a central city or not.

What Strip Mall Redevelopment Solutions Are Possible?

Since we expect the pace of strip mall redevelopment experiments to pick up considerably in the next few years, there is no single conventional recommendation or solution just yet.

That's a good thing, as it will allow us to experience a variety of proposed and built redevelopment approaches. Once a solution becomes formulaic, it too may become failure-prone.

Thus far what tends to happen is that the strip mall will be sold and the new owner will attempt a major facelift. Sometimes this works for a time, especially if star tenants can be attracted. However, iIt is unlikely to be a solution that lasts for very many years. Notice that most of the trends cited at the beginning of this article do not refer to the appearance of the shopping center.

Sometimes new owners will be a bit smarter and will attempt to develop a new outlot, or a liner building or two up next to the street. This new space also may lead to success for a few years, but it is unlikely to be a long-lasting win for the community, due to oversupply we have cited already, which in turn leads to an excessive vacancy factor. Even improved urban design cannot compensate for lack of market demand.

In sound suburban markets, a new owner may demolish the existing structure or structures and build a more contemporary-looking center, perhaps with some or many storefronts near the arterial street. In some areas, land may represent two-thirds of more of the value of the center, so this approach can make sense. (Tax treatment of depreciation of retail facilities also lends a helping hand toward this rapid obsolescence cycle.)

The demolition and reconstruction approach often represents an improvement for the community, providing that is sufficient demand for retail and service businesses common in strip centers. But it will be an improvement only if it incorporates the basic element of walkability. Many strip mall redevelopment projects will sport a wide sidewalk next to the street or highway, but are not really very pedestrian friendly due to the speed of traffic, lack of appropriate landscape buffer from the road, and lack of pedestrian connections at the ends and rear of the strip mall.

A more radical approach, but the one likely to bring more long-range results, starts with a sober assessment of the demand for retail and services of the type often located in strip centers. An analysis of the competition frequently shows that the supply already exceeds demand.

Often planning commissions and city councils are told that market analysis is none of their business. We don't believe that. If you are in a state where case law upholds the obnoxious idea that demand is none of the public sector's business, of course be careful what you do. But formally or informally, public planning decisions should take place in an atmosphere of realism about markets. Adopting such a stance would include the probably unpopular process of **down-zoning** where appropriate.

What to Do If Demand Is Insufficient

In the somewhat probable event that you find that your strip mall redevelopment is unlikely to be successful if it encompasses the same or very similar uses, then you need to become open to some fairly drastic changes of land use. Effective strategies for moving away from neighborhood commercial and service businesses might include:

- Broadening the range of permitted uses to include institutional uses such as churches, social service agencies, and governmental offices. Admittedly, sometimes such uses already are permitted under the zoning ordinance, but property owners are reluctant to take on these uses as tenants. They perceive institutional users to be less willing to pay nice rents, and they may be right on that point.

At least near major intersections that can handle the traffic, land uses appropriate for deeper parcels, including larger stores, churches, and office buildings, could be added or substituted for existing buildings that are configured with smaller bays. This may entail having to create and rezone deeper lots to encompass these larger buildings. Yes, this can be a long and tedious process, but how many years are you willing to wait for your half-vacant strip mall to fill up again?

- Redevelopment as housing, especially multi-family housing. Granted, many buyers and renters do not want to be located along a major street, but various townhome, condominium, and multi-family housing styles can manage to fit in quite well along an arterial street, especially where vehicular access is controlled or can be controlled easily enough. Unless you are looking at strip mall redevelopment of a larger center, these developments also will require reconfiguration of lots into deeper parcels and possibly rezoning some single-family parcels to multi-family or planned development districts.
- If the public sector really wants to resolve a particular strip shopping center failure or under-performance, some scholars and dreamers propose converting them to a much-needed park, community center, youth center, or urban farm. The problem that we see with these kinds of proposals is the need for the city to acquire the land for that to happen.

Ultimately many municipalities need to consider the housing solution to strip mall redevelopment. Demand for land for churches and offices is finite, just as the need for retail space is limited, so some jurisdictions are as seriously overbuilt for office as for retail land uses. In some places the demand for housing is maxed out as well, but healthy and growing economies continually need a few more housing units each year.

The possible variations for your situation are endless, of course, but in closing, we would emphasize:

- Both local governments and property owners being utterly and completely realistic about market demand and existing supply, including supply that is approved but not yet built in your own or neighboring jurisdictions,
- Proactively managing zoning and associated approvals to bring about a desirable result, which may include rezoning parcels behind the strip center to increase lot depth, down-zoning to reduce future overbuilding, and possibly a program of strategic down-zoning and up-zoning. Though difficult politically, this could create a good long-term solution. Down-zoning would occur on lengthy expanses between major intersections, with up-zoning to permit more intense development near intersections , and
- Emphasizing **walkability** as a community, benefiting not only strip mall redevelopment but also many other quality of life factors.

EXHIBIT 10

ULI Land Use Policy Forum Report

Workforce Housing: Barriers, Solutions, and Model Programs

Prepared by
Richard M. Haughey

The ULI Workforce Housing Forum
Washington, D.C.

June 25–26, 2002

Urban Land Institute

About ULI

ULI–the Urban Land Institute is a nonprofit education and research institute that is supported by its members. ULI—the Urban Land Institute is a nonprofit education and research institute that is supported by its members. Its mission is to provide responsible leadership in the use of land in order to enhance the total environment. ULI sponsors education programs and forums to encourage an open, international exchange of ideas and sharing of experiences; initiates research that anticipates emerging land use trends and issues and documents best practices; proposes creative solutions based on that research; provides advisory services; and publishes a wide variety of materials to disseminate information on land use and development. Established in 1936, ULI has more than 17,000 members in more than 60 countries representing the entire spectrum of land use and development disciplines.

Richard M. Rosan
President

ULI Land Use Policy Forum Reports. ULI is in the forefront of national discussion and debate on the leading land use policy issues of the day. To encourage and enrich that dialogue, the Institute holds land use policy forums at which leading experts gather to discuss topics of interest to the land use and real estate community. The findings of these forums serve to guide and enhance ULI's program of work. The Institute produces summaries of these forums in its Land Use Policy Forum Reports series, available on the ULI Web site at *www.policypapers.uli.org.* By holding these forums and publishing summaries of the discussion, the Institute hopes to increase the body of knowledge that contributes to the quality of land use policy and real estate development practice throughout the country.

Acknowledgments

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ULI Project Staff

Rachelle L. Levitt
Senior Vice President, Policy and Practice

Marta V. Goldsmith
Vice President, Land Use Policy

Gayle Berens
Vice President, Real Estate Development Practice

Jo Allen Gause
Senior Director, Residential Development

Michael Pawlukiewicz
Director, Environment and Policy Education

Richard M. Haughey
Director, Multifamily Development

Jennifer Naylor
Meetings and Events Coordinator

Nancy H. Stewart
Director, Book Program

Julie D. Stern
Manuscript Editor

Betsy VanBuskirk
Art Director

Anne Morgan
Graphic Designer

Diann Stanley-Austin
Director, Publishing Operations

ULI Catalog Number: 676

1025 Thomas Jefferson Street, N.W.
Suite 500 West
Washington, D.C. 20007-5201

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Introduction

In June 2002, ULI–the Urban Land Institute convened a panel of experts in Washington, D.C., to discuss the growing shortage of housing that is both affordable to moderate-income households and located close to jobs. This is the second in a series of ULI land use policy forums to address the issue of workforce housing. The first ULI Workforce Housing Forum was held in Los Angeles in December 2001. Through the presentation of case studies and group discussion, forum participants outlined existing barriers to the construction of workforce housing. The second forum built on the work of the first, by asking a panel of experts to describe policies and programs that could be developed to overcome the barriers identified in 2001. Participants also were asked to document whether any state, county, city, or other municipality has adopted programs to implement the solutions presented.

The panel of experts included a diverse group of professionals from the real estate industry, including the financial and development sectors as well as representatives from local government, nonprofit organizations, architectural and market analysis firms, and consultants. They gathered to create a comprehensive list of solutions to this complicated and vexing problem. After opening remarks, the group divided into four smaller groups, each of which was charged with answering one of the following four questions relating to a major barrier to the development of workforce housing:

- How can site-related barriers to workforce housing be overcome?
- What financing incentives could be provided to make the construction of workforce housing feasible, and how can affordability be retained over time?
- How could the regulatory process be improved, and what regulatory incentives could be offered to encourage the development of workforce housing?
- How could the design and production of housing be changed to encourage the development of workforce housing?

Policy Forum Summary

Chair David Mayhood opened the forum by welcoming and introducing all forum participants. He then presented an overview of the workforce housing problem and ULI's efforts to address the issue. This introduction was followed by opening remarks from John K. McIlwain, ULI senior resident fellow, housing, and ULI/J. Ronald Terwilliger chair for Housing. The group then broke into four smaller groups, each of which was assigned a specific question for discussion, as outlined above. The forum concluded with each group's presentation of its outline of barriers to the development of workforce housing, possible solutions to overcome these barriers, and a description of existing programs that address (or could be altered to address) the workforce housing problem.

Opening Remarks

McIlwain, in his opening remarks, reported that in his role as a ULI fellow he travels throughout the United States to discuss housing issues, and that affordable housing is a major concern in every community he has visited. He recommended a series of recent publications by the National Housing Conference as excellent resources for any discussion of workforce housing. These publications include *Paycheck to Paycheck: Working Families and the Cost of Housing in America, Housing America's Working Families: A Further Explanation,* and *Four Windows: A Metropolitan Perspective on Affordable Housing Policy in America, 2001.* McIlwain then defined the workforce housing issue as a complex one, with numerous geographic variations, complicated by other issues that include the supply and location of housing and jobs.

Defining the Issue: Location Matters

The supply of affordable housing is only one part of the problem, commented McIlwain, noting that to say the housing affordability problem is merely a production problem oversimplifies the issue. Failing to address the issue of geography means overlooking what realtors call the three most important factors in real estate: location, location, and location. The issue is not how much affordable housing is produced but where it is produced, as well as how to address the challenges of producing it where it is needed.

The proximity of affordable housing to jobs is the second part of the problem. Where affordable housing does exist, reported McIlwain, it usually is located far from where most people work. In rapidly growing cities throughout the United States, most new affordable housing is being created in the outer exurbs, so this is where moderate-income families are being forced to live. This outward movement of population brings with it all the undesirable aspects of sprawl: grinding traffic congestion, school overcrowding, air pollution, and a loss of open space. Yet most major institutions— governments, hospitals, and the like—are located in or near the central city and cannot move out to follow the workforce. This dynamic makes it hard to recruit and retain moderate-income employees such as teachers, fire fighters, nurses, and so forth. Private businesses, on the other hand, are more mobile. Many are moving to the outer fringes to be closer to their workforce. While this might appear to solve the jobs/housing imbalance, it actually further compounds the cycle of sprawl by driving up land costs and forcing affordable housing even farther out.

Affordability indexes—the best known being those of the National Association of Home Builders (NAHB) and the National Association of Realtors (NAR)—noted McIlwain, tend to report that housing in most of America is affordable. He argued that these indexes are deceptive for the geographic reasons mentioned above. Affordable housing close to work has moved out of the reach of most moderate-income households, claimed McIlwain, and the indexes do not address the geographic disparity between the location of jobs and the location of affordable housing.

Looking at the Numbers

McIlwain then described some of the many data sources that can be used to analyze the issue of workforce housing. Data from the U.S. Census, the Millennial Housing Commission, and the National Housing Conference all provide insights into the demographic and affordability issues surrounding the workforce housing issue.

Meeting Our Nation's Housing Challenges, the report of the Millennial Housing Commission, noted McIlwain, shows uneven income growth by income groups and a lack of workforce rental housing. Income growth charts that Harvard's Joint Center for Housing Studies prepared for the Millennial Housing Commission demonstrate how incomes have fared since 1968 for five different income groups. The lowest of these groups have shown little income growth over the last three decades. The next two quintiles showed slight growth. The upper two quintiles, however, showed significant income growth. The gap between rich and poor has become a wide chasm.

While some affordable for-sale housing has been produced, the Millennial Housing Commission reported that the production of rental housing has been uneven. From 1985 to 1999, there was a net increase in rental housing for low- and high-income households but a net decrease in rental housing for moderate-income households. From 1985 to 1999, the inventory of rental apartments available to extremely low-income households—defined as those earning less than 30 percent of area median income (AMI)—increased by about 400,000 units. For very low-income households (those with incomes ranging from 30 to 50 percent of AMI), the inventory increased by 2.6 million units. For low-income households (50 to 60 percent of AMI), it increased by about 1 million units. McIlwain posited that these increases are due to the use of low-income housing tax credits to construct affordable apartments.

The situation for moderate-income households is dramatically different. The supply of rental housing for those earning 60 to 120 percent of AMI has actually decreased. Yet the supply of rental housing for households earning more than 120 percent of AMI has increased. McIlwain reported that rental housing production in the 1990s was less than half that of previous decades, and added that the housing that was developed in the 1990s consisted mostly of tax credit projects and high-end apartments for the "renter by choice" market.

As census data show, the United States is in a period of rapid population growth, having added 32 million people in the 1990s—more, even, than during the baby boom of the 1950s. Estimates of growth over the next two decades are for an additional 25 million to 30 million people in the current decade and another 25 million to 30 million in the 2010s. All of these new residents will need housing. McIlwain stated that a large part of the challenge of providing affordable housing for this group will involve building it in the right places. Affordable housing in the central cities and mature inner-ring suburbs, near where businesses and jobs are located, he claimed, makes more sense from an environmental, financial, and social perspective.

Census data also offer some interesting facts about affordability. Between 1990 and 2000, the number of households spending more than 35 percent of their income on housing increased 19 percent, from 16 million people in 1990 to 19 million in 2000. During the same time period, the overall U.S. population grew by 13 percent. More families thus are spending more of their income on housing. The median house payment, now $1,088, rose 16 percent from 1990 to 2000, exceeding the overall growth rate of incomes, which rose only 8 percent.

Defining the Terms

ULI defines workforce housing as housing for households making between 60 and 120 of AMI. McIlwain said there are two ways of defining the "workforce." The National Housing Conference defines it as anyone working full time, which effectively means anyone making at least $10,800 per year, the minimum-wage yearly salary for a full-time employee. McIlwain breaks this group of workers into three income categories. The first of these consists of households earning less than 60 percent of AMI. These households often qualify for some kind of federal assistance. The category at the opposite end of the spectrum—those earning more than 120 or 130 percent of AMI—includes those who generally can afford to buy a market-rate home in a location that is convenient to their place of employment. The middle category—what ULI defines as the workforce—consists of households with incomes between 60 and 120 to 130 percent (depending on the area) of AMI. McIlwain contended that this is the group ULI is looking to address, noting that while the government is taking care of those with lower incomes and the market is taking care of those with higher ones, this group is left with few good housing options.

Politics and the Future of Workforce Housing

McIlwain then took a brief look at the politics of workforce housing, followed by a look at the future of the issue. Noting that the federal government has been in the process of getting out of the housing business for decades, he predicted very little federal interest in or effort on the issue of workforce housing for the near future. Federal government spending, he commented, is now oriented toward homeland defense and these programs will take priority when funding decisions are made.

McIlwain foresees answers to the problem coming from the local governments and cities affected by the issue. The U.S. Conference of Mayors held a one-day conference in May 2002 to address the issue of workforce housing, demonstrating that this is becoming a political issue at the local level. This, he noted, makes three groups currently addressing the issue of workforce housing: the National Housing Conference, the U.S. Conference of Mayors, and the Urban Land Institute.

The Millennial Housing Commission spoke to the issue of workforce housing in its report but did not directly address solutions. The report does, however, mention two federal programs that could affect the issue. The first is the homeownership tax credit, which President George W. Bush recommended during the 2000 election campaign. Because this program would be limited to first-time homebuyers who make less than 80 percent of AMI, it will not address the large portion of the workforce that earns 80 to 120 percent of AMI. The second program is the 80-20 bond program. Housing finance agencies currently issue bonds for the production of rental housing for households making 60 percent of AMI or less. This new program calls for an expansion of the program to households making up to 80 percent of AMI. It also would exclude households earning 80 to 120 percent of AMI. The federal government, noted McIlwain, is more comfortable spending its limited tax dollars on low-income families than on those with moderate incomes. Federal officials do not yet see the political motivation to support workforce housing solutions.

While the federal government is not motivated to take action, local governments are. The U.S. Conference of Mayors has made housing its number-one issue, at the request of its president, Boston Mayor Thomas Menino. And recent polling shows that Americans do care about the issue. A Fannie Mae–funded Hart-Teeter survey polled 1,000 people, 37 percent of whom said that finding reasonably priced housing was a big issue for moderate-income families. When these survey responses are broken down by income groups, the moderate-income groups responded that finding affordable housing was their most important issue. More than half of the parents surveyed said they were worried that their children would not be able to find housing. This is the first survey to show that affordable housing has become as important as the other issues occupying the current political debate.

McIlwain predicted that when the connection between housing and politics is made, the federal government's priorities will shift. He projected workforce housing will be transformed from a "city" issue to a federal issue as it emerges as one that is important to voters. Until then, he predicted, Washington will pay little attention to the workforce housing issue, leaving local governments with the task of coming up with creative solutions to the problem.

Group Discussion

During the question-and-answer and discussion session that followed McIlwain's opening comments, one of the participants commented that the amount of federal money spent directly on housing issues had declined in the past several decades. He added that the amount of tax revenue lost because of the mortgage interest deduction dwarfs the amount of federal dollars spent on housing when this spending peaked in previous decades. Discussion ensued about the geographic applicability of some of the statistics quoted, specifically the amount of tax credit housing being produced. An attendee from Boston said that very little tax credit product is being produced there; rather, high-end product is being constructed almost exclusively.

Participants also discussed how workforce housing should be defined. McIlwain responded that while ULI has viewed those earning 60 to 120 percent of AMI as the workforce housing market, the target income level to be served by such housing varies from city to city—and even within a single metropolitan area, since some "edge cities" face completely different situations than the urban core. Chicago and Washington, D.C., were listed as examples of areas in which such variations exist. One attendee suggested that actual incomes of workforce-type jobs be used to define the income limits. The applicability of AMI figures to all situations was questioned because of its broad nature. The importance of geography also was discussed.

Participants agreed that the federal government will not deal with this problem, and that any local solution will cost someone—taxpayers, developers, or builders. Attendees mentioned several local programs that address the issue, including development fees, inclusionary zoning, linkage programs, and so forth.

One attendee asked whether the focus of the forum was to address the provision of workforce housing anywhere or just the provision of workforce housing in the city. Was this, he asked, a discussion about fighting sprawl or providing workforce housing? Several participants responded that both were objectives. A discussion about density then ensued. The argument was made that many cities today are actually less dense than they were decades ago, and that increasing density is merely getting the density back to where it was. A participant remarked that the density issue is complicated; in some places less density is the answer, while in others more density is needed, depending on geographic and neighborhood considerations. Minneapolis, it was noted, has more people in the city now than in the past while Baltimore has fewer.

Participants agreed that the issue is truly a jobs/housing balance one, which needs to be expanded beyond a center city issue. One attendee cited an example of a program in Minnesota that provided low-income households with both low-interest home mortgages and gap mortgages. When given a choice of locations, most participants chose to purchase homes in the outer suburbs, citing a variety of reasons that included a perception of better value and a better quality of life. Participants then discussed the question of how city housing can be made more desirable.

Breakout Sessions

The group then broke out into four smaller ones, each of which was charged with answering one of the following questions:

- How can site-related barriers to workforce housing be overcome?
- What financing incentives could be provided to make the construction of workforce housing feasible, and how can affordability be retained over time?
- How could the regulatory process be improved, and what regulatory incentives could be offered to encourage the development of workforce housing?
- How could the design and production of housing be changed to encourage the development of workforce housing?

Each group was asked first to outline the barriers surrounding its issue, then to develop solutions and, finally, to list any model programs participants were aware of that attempted to address the issue.

How Can Site-Related Barriers to Workforce Housing Be Overcome?

The group addressing this question listed the following site-related barriers to the construction of workforce housing:

- **High land costs.** Participants cited high land costs in urban areas as the biggest site-related barrier to the construction of workforce housing.
- **Deteriorated infrastructure.** Infrastructure in many urban areas is in need of repair, enlargement, or replacement. The costs to repair such infrastructure add to overall project costs and can make the production of workforce housing financially infeasible.

■ **Environmental challenges.** Urban sites are more likely to be contaminated than greenfield suburban sites. They also pose staging and access challenges during the construction process.

■ **Lack of information about available sites.** The group mentioned that information about available sites varies depending upon the market. In markets with significant unsatisfied demand, the profit motive will lead developers to find the sites; in low-demand markets, government assistance may be helpful.

■ **Mismatch between sites and where people want to live.** Many cities contain abandoned and underutilized sites, but these typically are located in places where people do not want to live. Many are in neighborhoods with poor infrastructure, crime, bad schools, and so forth.

■ **Lack of understanding about this market segment's location preferences.** Do workers want to live near their workplaces, or are other factors—such as schools and crime rates—driving their location decisions? The answer to this question is often unclear. Determining their preferences is crucial to delivering the product they desire.

■ **Parking costs.** The high cost of parking in cities can serve as a barrier to constructing workforce housing by acting as a deterrent to the market and as a major expense for the developer.

■ **Construction costs.** For a variety of reasons—including the physical difficulty of working in urban areas, the possibility of deteriorated infrastructure and contaminated sites, federal wage requirements, and site security issues—building in urban areas can be more expensive than building in suburban or exurban areas.

■ **Inadequate existing building stock.** Because the existing stock may not meet the needs of the market, developing many urban sites requires the demolition or conversion of existing structures. The cost of demolishing or converting these structures into a product that meets the needs of the market may be too high to make development financially feasible.

The group then listed the following ideas as possible solutions that may help overcome the barriers described above. If the participants knew of a program that addressed the issue, it was listed as a model program. Some of the programs mentioned were targeted to low-income households but could be adapted to include moderate-income households.

■ **Assemble and provide land in low-value/low-demand areas.** Public or quasipublic agencies such as redevelopment authorities should assemble land and provide it for sale for development as workforce housing. Title and ownership problems can make the land assembly process time consuming and risky for developers. Land assembly by the government removes some of the risk to the developer. This solution is not recommended for high-value areas, where the value of the land would justify the developer assuming the risk and cost of land assembly. Model programs include those of the *Virginia Redevelopment Authority*, the *Pittsburgh Urban Redevelopment Authority*, and the *National Capital Revitalization Corporation*.

■ **Make targeted areas more attractive by improving physical infrastructure, safety, schools, supportive retail and mixed uses, and parks and open space.** Local governments have consistently offered infrastructure improvements as an incentive to attract commercial development. The group recommended that the same incentives be offered to attract workforce housing.Model programs include the *Atlanta Regional Commission's Livable Cites Initiative* and a *Cincinnati, Ohio*, program that makes physical improvements to induce development. The city of *Chicago* also will improve physical infrastructure to attract development, and the *Massachusetts Brownfield Fund* pays for the cleanup of contaminated sites being developed for affordable housing. In addition, numerous cities make extensive use of *tax increment financing (TIF) districts*.

■ **Inventory existing sites—including information on assets, liens, ownership, and contamination—and market these sites for development.** Local governments can promote the development of workforce housing by inventorying existing sites and listing any potential development problems, such as title problems, land contamination problems, and so forth. By quantifying these properties' existing conditions and problems, local governments can reduce the risk to the developer. As a model program, the group cited *Dayton, Ohio*, which is in the process of documenting this type of information throughout the city.

■ **Conduct market studies on workforce housing demand prior to designing public programs.** Assessing the demand for workforce housing in targeted urban areas will provide a statistical basis for public policy, while also demonstrating demand to the development and finance communities. Pioneering projects often find it difficult to attract financing because of a lack of comparable sales in the community. Government-sponsored market studies can demonstrate demand and make it easier for developers to acquire financing for pioneering projects. Model programs include studies that have been conducted in *Columbus, Ohio,* and *Chattanooga, Tennessee.*

■ **Leverage public lands.** Local governments can donate public lands or sell them at reduced prices with the stipulation that some workforce housing be produced on the land.

■ **Improve the visibility of existing programs.** The group noted that many cities already have a collection of workforce housing programs that few developers know anything about. Participants mentioned that publicizing such programs and making them available to the entire development community would in turn make the programs more effective. They recommended that cities take an entrepreneurial attitude in selling these programs. The group cited two model programs. The marketing program at Forest City Enterprises's redevelopment of the former *Stapleton Airport site* in Denver was mentioned as a good example of how to market programs aimed at producing workforce housing to developers as well as to potential homebuyers. A *Cincinnati, Ohio,* program that offers educational tours of the city to realtors, educating them about the history of the neighborhoods and making them aware of areas that they previously may have overlooked, also was mentioned.

What Financing Incentives Could Be Provided to Make the Construction of Workforce Housing Feasible, and How Can Affordability Be Retained Over Time?

The group addressing this question listed the following barriers to the financing of workforce housing:

■ **High development costs.** In many urban housing markets, developers cannot profitably produce workforce housing. High land costs are usually cited as one of many factors that make such development financially infeasible.

■ **Limited government funding.** The issue of workforce housing has yet to gain traction as a federal political issue and therefore is not a priority for the federal government. No federal money is available to fund workforce housing programs. Although the issue has gained more attention at the state and local levels, even there very little money has been allocated to address the problem. Low-income housing tax credit programs and other federal, state, and local programs address the housing needs of low-income households but few of these programs extend their income restrictions to include moderate-income households.

■ **Downpayment requirements.** Although many moderate-income workers make enough money to qualify for a home mortgage, few have been able to save enough for the downpayment required to secure a loan. Many potential moderate-income homebuyers therefore are forced to remain in the rental market.

■ **Restrictive underwriting criteria.** Some loan underwriters assume potential homebuyers will have one car per bedroom and require developers to address this parking issue by providing expensive parking structures and parking lots. Local zoning requirements for parking often are less stringent than those of underwriters.

■ **No Community Reinvestment Act (CRA) tie to moderate-income housing.** The CRA requires lenders to invest a certain amount of their money in low-income areas but not in moderate-income, working-class neighborhoods.

The group then listed the following ideas as possible solutions that ay help overcome the barriers described above. If the participants knew of a program that addressed the issue, it was listed as a model program. Some of the programs mentioned were targeted to low-income households but could be adapted to include moderate-income households.

■ **Use tax increment financing (TIF) for infrastructure improvements and other site improvements.** TIF directs the additional revenue that will be generated by new development in an urban area directly to that development, rather than back into the city's general revenue stream. It provides an excellent method of financing needed infrastructure improvements. *TIF districts* are used throughout the United States; participants mentioned *Chicago* as one city that has used them extensively.

■ **Create an infrastructure finance district (IFD) to finance infrastructure improvements.** Homeowners living in an IFD are assessed a fee that is used to finance infrastructure improvements in their community. An IFD is similar to a TIF district, except that homeowners fund the improvements. As a model program, the group cited *Prince George's County, Maryland,* where certain areas have been designated as IFDs. Residents of these areas pay an additional assessed fee to fund infrastructure improvements.

■ **Increase or dedicate transfer/recordation taxes to pay for a housing trust fund.** Property taxes or recordation taxes could be earmarked to pay for a housing trust fund dedicated to financing the construction of moderate-income housing. (Housing trust funds normally dedicate their funds to the production of low-income housing.) Model programs include a housing trust fund initiated by the state of *Florida* and one being funded by the *District of Columbia* that will make money available for the production of housing for those earning up to 80 percent of AMI.

■ **Expand tax credits for first-time homebuyers and offer loans to cover downpayments.** Some state and local governments offer tax credits to first-time homebuyers who purchase units in specified areas. Some public and private organizations also offer downpayment assistance. Model programs include the *District of Columbia's* offer of a $5,000 federal tax credit to first-time homebuyers who purchase a home in the District and a *Bank of America* program that offers a $5,000 forgivable loan for first-time homebuyers.

■ **Expand employer-assisted housing programs.** Some employers provide financial and other assistance to their low- and moderate-income workers in an effort to improve employee retention and productivity. Model programs include the following: The city of *Seattle* makes housing assistance programs available to all city, hospital, and university workers. *San Jose, California,* has a model housing assistance program for teachers. *Fannie Mae's* homebuyer assistance program offers low-interest loans to employees. A *District of Columbia* program matches employer contributions to employees' housing with a tax credit. The District also offers downpayment assistance to city employees and mortgage assistance to teachers, firefighters, and police officers, as does the state of *Georgia.*

■ **Provide more flexibility in government housing programs to address a broader range of incomes.** Many government programs are structured to support the production of low-income housing. These programs could be altered to support mixed-income communities that include moderate-income housing.

■ **Build into the entitlement process financial devices that reward developers for providing workforce housing.** This broad solution seeks to offer a variety of financial incentives tied to the condition that a certain percentage of the housing be designated for moderate-income households. Model programs include *Boston's* inclusionary zoning policy, which requires 10 percent of the housing in qualifying developments to be designated for moderate-income households. *Cambridge, Massachusetts,* also has an inclusionary zoning policy that requires 15 percent of the housing in qualifying developments to be designated for moderate-income households. The commonwealth of *Massachusetts "anti-snob law"* requires that at least 10 percent of the housing in every city and town be affordable.

■ **Encourage the broader use of TIF for public parking garages and other public infrastructure improvements.** The group recommends the expanded use of TIF to finance public infrastructure improvements that would attract new development, including workforce housing. Model programs include the extensive use of TIF in states like *Missouri* and *Minnesota,* and cities like *Chicago* and *Denver.*

■ **Investigate the effectiveness of location-efficient mortgages.** Location-efficient mortgages allow homebuyers to take on a higher debt ratio if the home they purchase is located within a certain radius of public transportation, since a household that relies on public transportation will spend less money on a car and therefore will have more money available for housing. *Fannie Mae's* location-efficient mortgages are one model program.

■ **Assess a consumer goods tax that would be dedicated to the production of moderate-income housing.** Assessing a consumer goods tax and directing the revenue into the production of workforce housing would provide a source of funding for workforce housing. One model program is *St. Louis's* consumer goods tax on imported goods costing more than $2,000. The tax revenue is dedicated to affordable housing and health care.

■ **Offer property tax abatements for the construction of new workforce housing and freeze taxes for existing residents.** Offering to abate the property taxes of a new development for a specified period of time, with the stipulation that a certain percentage of any new housing be designated for workforce housing, can be an effective way to make such housing financially feasible. In addition, freezing the property taxes of longtime existing residents in gentrifying communities can help keep them from being driven out by escalating property taxes. A model program in the *District of Columbia* offers tax abatements tied to the production of a certain percent-age of affordable housing and freezes the property taxes of longtime residents to stem the negative affects of gentrification.

How Could the Regulatory Process Be Improved, and What Regulatory Incentives Could Be Offered to Encourage the Development of Workforce Housing?

The group addressing this question listed the following regulatory barriers to the construction of workforce housing:

■ **Exclusionary zoning.** In many communities, zoning excludes affordable or higher-density housing. The group believes that most zoning codes have a heavy bias toward low-density housing and against affordable or higher-density housing.

■ **The building permit process.** This process tends to be lengthy and expensive, adding time and costs to the development process and thus making it harder for developers to produce affordable housing. Developers and builders often complain about the building permit process in their communities. Those who develop affordable housing are even more affected by permitting process delays and expenses, because their projects have a smaller profit margin and encounter more public opposition from the NIMBY (not-in-my-backyard) crowd.

■ **The rezoning or variance process.** This can be a difficult, painful, and risky process that works against the production of affordable housing and creative development solutions. While many development projects could be improved or made more affordable through rezoning or the variance process, developers often are hesitant to pursue a variance or a rezoning request because of the difficulty of the process. Public opposition makes it difficult to effect positive change.

■ **Building codes.** Codes often include provisions that add time and expense but do not improve the quality or safety of construction. The group complained that in some areas, union representatives have added building code requirements whose only purpose appears to be job security for union employees.

■ **Lack of regulatory and program coordination.** The group noted that there appears to be little coordination among the many regulatory agencies charged with issuing development approvals. In addition, while a number of programs are available at the local level to support affordable housing production, there seems to be very little knowledge on the part of developers as to what is available.

■ **Lack of political leadership.** There is little political leadership for affordable housing because local political leaders tend to support the status quo and to focus on reelection. Political leaders at the local level respond to constituent demands or, at least, to the demands of those who show up at public meetings. These demands tend to be antichange and pro status quo. In addition, most elected officials serve for only two to four years and thus are constantly concerned with their reelection chances. Taking courageous stands on unpopular issues can lead to defeat at the polls.

■ **Community opposition.** The opposition of existing community residents can make getting approvals for new development projects difficult. Developing workforce housing in urban areas means more existing residents and therefore more potential opponents.

■ **No advocacy group.** While low-income households are supported by various low-income housing advocacy groups, moderate-income households lack such support. Few politicians or advocacy groups are fighting for the cause of workforce housing. Both developers and cities tend to be unaware of the depth of the need for such housing.

The group then listed the following ideas as possible solutions that may help overcome the barriers described above. If the participants knew of a program that addressed the issue, it was listed as a model program. Some of the programs mentioned were targeted to low-income households but could be adapted to include moderate-income households.

■ **Adopt inclusionary zoning regulations.** Inclusionary zoning regulations often specify that a certain number of the units in a new housing development be affordable. Many of these regulations offer incentives—like density bonuses—to provide affordable housing. The group felt it was important that the affordable units provided in a development offer a mix of housing, including workforce housing as well as low-income units. Participants cited several model programs. *Montgomery County, Maryland,* has what may be the country's most famous inclusionary zoning requirement. Developers there are required to include moderately priced dwelling units (MPDUs) in all new residential projects. The county often provides density bonuses in exchange for the construction of MPDUs. In addition, *Fairfax County, Virginia,* recently enacted inclusionary zoning requirements; *San Francisco* recently made its formerly voluntary inclusionary zoning policy mandatory; *Boston* has an inclusionary zoning policy that is based on an executive order, which makes some affordable housing advocates worry about its future; and *Cambridge, Massachusetts,* also has inclusionary zoning regulations.

■ **Expedite the permit process.** Group members listed consolidating the land development permitting process as one possible way to reduce the amount of time required to get building permits. While they agreed that this likely would reduce the time required to get a permit, it was unclear whether it would improve the predictability of the process. A single location for gathering information about all licensing and permitting processes also was mentioned as being a helpful idea. The group believes that giving priority to affordable housing projects is one way to encourage workforce housing development. Model programs include the commonwealth of *Massachusetts's* one-stop application center for permitting and the city of *Los Angeles's* customer service–oriented approach to permitting, which has reduced significantly the time needed to get a building permit.

■ **Improve coordination.** Different programs have different requirements, which often are redundant and/or conflict with each other. To improve the efficiency and predictability of the permitting process, the group recommended that the requirements of various programs and permits be coordinated to avoid conflicts or redundancies.

■ **Create interdepartmental development review committees.** The group proposed that local permit-granting governmental agencies create a committee consisting of representatives from the various agencies involved. This committee would review development proposals at the preapplication stage and provide immediate feedback as to the acceptability of the plans and an outline of the anticipated review and permitting process.

■ **Modify the public approval process.** Obtaining public approval for land development is often a polarizing, emotionally charged process that does not effectively clarify the wants and needs of either the developer or the community. Earlier engagement of the community in this process and an emphasis on what both parties have in common—and on protecting the value of both the existing community and the new development proposal—should be the hallmarks of a more constructive and effective public approval process.

■ **Allow existing commercial properties to be redeveloped as workforce housing.** Many communities contain abandoned or underutilized commercial properties—including retail malls and industrial buildings—that could be converted to housing. The group believes that local governments should support such redevelopment proposals.

■ **Provide incentives for the development of workforce housing.** Incentives such as shared parking opportunities, density bonuses, tax abatements, mixed-use zoning, flexible zoning, and fee waivers all can help make the development of workforce housing more economically feasible.

■ **Require housing/jobs linkages.** While comprehensive plans are good at laying out plans for the construction of sewers, roads, and parks—and for creating residential and industrial areas—they rarely include any link between who is going to work in the commercial and industrial business parks and the type of housing in which these workers will live. The group proposed that comprehensive plans be required to include a linkage between housing and jobs, and that zoning codes be required to reflect this desired linkage through appropriate zoning. The group believes that the current planning and zoning structure is outdated and fails to provide a sufficient amount of housing choice. They believe it also perpetuates a strict segregation of uses and a reliance on low-density housing that has led to sprawl, economically segregated communities, affordable housing problems, and traffic congestion. Diversification, the group believes, will lead to economic and social strength. The group listed several model programs. *Portland, Oregon,* was cited as a good example of an area that supports a balanced housing approach through its comprehensive plan. The group highlighted how Portland's plan supports multifamily housing, which often is the only type of housing moderate-income households can afford. *Vancouver, British Columbia,* was mentioned as a city that does a good job of addressing the jobs/housing balance and supports multifamily housing as a way of providing workforce housing. The group also mentioned the plan for the redevelopment of *Denver's Stapleton Airport site* as a good example of comprehensive planning for jobs and housing, and of providing a variety of housing types.

■ **Expand government condemnation powers.** Expanding the condemnation powers of local governments would allow them to demolish existing vacant housing and make the land available for new development. They also could clear land currently used for other purposes and make it available for workforce housing. As a model program, the group cited the *District of Columbia,* which has expanded its condemnation powers in an effort to make land available for affordable housing.

■ **Use the powers of annexation and rezoning** Local governments should use these powers to create opportunities for the construction of workforce housing. Approval of any land annexation or rezoning requests can be tied to requirements to provide or fund workforce housing. Model programs include those in *Denver* and *Chicago*.

■ **Link workforce housing requirements to commercial development.** When a developer of a commercial project requests some kind of special treatment—such as a street or alley closing or a density bonus—approval of the request can be made subject to the developer's inclusion of workforce housing in the project, or funding or developing such housing elsewhere. The group cited the proffer system of land development negotiation practiced in the commonwealth of *Virginia* as a model that could be used to promote the linkage of commercial development with workforce housing.

■ **Use green building principles.** Using green building principles in the construction of workforce housing may help affordable housing developers begin to build a diverse coalition of support for proposed affordable housing projects. This could prove particularly beneficial at public meetings, where those opposing new development—the NIMBY crowd—often show up but those who support it typically do not.

■ **Tie workforce housing to public projects.** Local governments can require the construction of workforce housing as part of the request for proposals (RFP) process for major public development or redevelopment projects. Examples of such projects would include the expansion of mass transit, the construction of new parking garages, or the rehabilitation of abandoned public schools.

■ **Address community concerns.** Local government and/or business groups should conduct education programs to demonstrate the value of workforce housing for the regional economy. Such programs should address the concerns of low-income housing advocates and how workforce housing affects these issues. Community groups and political leaders should be brought into the discussion. Developers and local governments should provide some form of compensation for existing residents, such as a new trail system or park or a new service. Continually asking existing communities to become denser because doing so is consistent with smart growth may only lead to a lower quality of life for residents of that community and thus might further promote sprawl.

■ **Build a coalition.** Creating an advocacy group that will apply political pressure in support of workforce housing and will search for creative answers is crucial. Groups that logically should be included in this coalition include teachers' unions, business associations, and environmental organizations. At the local level, the group mentioned ULI District Councils and other civic leaders as potential champions. A calculated education campaign could begin to build support for development proposals that include workforce housing. The group cited several model programs. A *San Francisco* group known as "YIMBYs" supports affordable housing and attends public meetings in support of development proposals for affordable housing, as does a similar advocacy group in *Colorado*. The state of *Minnesota* has put together a public relations campaign to build support for workforce housing.

How Could the Design and Production of Housing Be Changed to Encourage the Development of Workforce Housing?

The group addressing this question listed the following barriers affecting the design and production of workforce housing:

■ **House sizes.** The National Association of Home Builders reports that the average size of a single-family house has risen dramatically in the last few decades, from 1,500 square feet to 2,200 square feet. The group cited both the desire for larger houses and the existing inventory of larger houses as barriers to workforce housing.

■ **Consumer expectations.** The group reported that today's consumers expect homes to include certain luxury features and that many homebuyers view these features as necessities rather than "extras." These consumers also view a large single-family detached house with many luxury items as the ideal home. The group considers these views to be barriers to the construction of affordable housing, which typically consists of small and/or multifamily units.

■ **Design and zoning regulations.** The group argued that a good portion of a house's sales price results from governmental regulations that drive the sales price out of the reach of moderate-income buyers.

■ **Community opposition.** Existing residents often view proposed affordable housing projects as a threat to their property values and their community, and therefore actively oppose them. As mentioned earlier, in the past such community opposition often was justified by these projects' poor architectural and planning qualities. The group argued, however, that the design of today's affordable and workforce housing developments has improved to the point that these impressions are no longer justified.

■ **Few housing renovators.** The group commented that renovating the existing housing stock could provide one solution to the workforce housing problem. The current lack of a significant and cohesive renovation industry (especially for affordable housing) consequently is a barrier to the production of workforce housing. Group members also reported that they believe rehabilitation is much more difficult than new construction.

The group then listed the following ideas as possible solutions that may help overcome the barriers described above. If participants knew of a program that addressed the issue, they cited it as a model program. Some of the programs mentioned were targeted to low-income households but could be adapted to include moderate-income households.

■ **Support the development of "mansion"-type multifamily housing.** Given the strong public support and preference for single-family detached homes, the group felt that multifamily housing developed to look like single-family houses offers a good opportunity to engender community support while also providing workforce housing. Local government regulations should be revised to support this housing type, and architectural firms and multifamily developers should adopt this building type into their respective portfolios.

■ **Investigate the effectiveness of manufactured and modular housing.** Although the group noted that neither of these housing types would be appropriate or feasible in some locations, members do believe that these housing types may play a role in solving the workforce housing problem. Their time savings, production ease, and reduced construction financing costs could enable the production of more workforce housing. The group believes that the full capabilities of the efficiencies created by these housing types have not yet been realized.

■ **Support regulations that encourage the rehabilitation of existing housing.** Most major cities contain a huge inventory of vacant and abandoned housing that could be rehabilitated into workforce housing. Advocates of workforce housing should support government programs that encourage the rehabilitation of housing and the community. The group also argued for the support of programs to replace (rather than renovate) some of this housing stock because of the environmental contamination (lead paint, asbestos, and so forth) that exists in many of these older homes. Model programs include one in *Baltimore* that provides city grants to the Habitat for Humanity organization for lead-based paint abatement. The *District of Columbia* is acquiring vacant and abandoned properties, then selling the blocks back to developers—who are required to include some affordable housing—for renovation. The advantage for developers is that they do not have to deal with the costs and risks involved in the acquisition process.

■ **Strengthen the home rehabilitation industry.** The group suggested that creating a strong national organization that supports the rehabilitation of older homes specifically for use as affordable housing would be one way to strengthen that industry. Such an organization could lobby for federal, state, and local regulations that make rehabilitation less difficult. When discussing model programs, the group mentioned two organizations: the *National Association of Remodelers*, which, if broadened, could represent the rehabilitation industry, and the *NAHB Remodelers Council*, which also already deals with the issues of housing rehabilitators.

■ **Encourage nonprofit groups to acquire and convert expiring-use public housing properties to mixed-income communities.** The owners of many Section 8 multifamily properties with expiring contracts can choose to opt out of the program and convert their properties to market-rent projects. Some of these properties could be repositioned as mixed-income communities with a workforce-housing component. The group mentioned that this is occurring in *Miami* as well as in *other parts of Florida*.

■ **Allow accessory units in all residential areas.** Many zoning codes do not permit accessory apartment units in single-family houses. The group believes that changing zoning regulations to permit these units on all residentially zoned land would be an effective way to seamlessly integrate workforce housing into existing communities, creating true mixed-income communities rather than segregating low- and middle-income households. As model programs, the group listed *Chapel Hill, North Carolina*, and *Orlando, Florida*, both of which permit accessory units in some residential areas.

■ **Discourage the construction of larger houses by tying building permit fees to unit size.** Some municipalities charge fees based on the number of units rather than unit size. The group views this practice as discriminatory toward builders who construct smaller houses. It argued that fees should be calculated in the same manner as a builder's expenses (that is, per square foot rather than per unit) to make it easier and more profitable to build smaller units.

- **Educate homebuyers about the virtues of smaller, more compact housing.** To counteract the prevailing belief that huge, luxurious homes are the ideal, the group recommended an educational campaign to support smaller, more modestly appointed homes, as well as higher-density and urban living.

Conclusion

Marta V. Goldsmith, ULI vice president, land use policy, addressed the forum regarding the next steps that ULI's workforce housing program should take. She stated that the information presented at the forum provides almost an embarrassment of riches. This report will be made available on the ULI Web page at *www.policypapers.uli.org* and will be used by ULI staff as they prepare the *Workforce Housing Tool Kit* during the coming year. Goldsmith also commented that she found the forum to be incredibly helpful in beginning to outline the solutions to the workforce housing problem.

Policy Forum Agenda

TUESDAY, JUNE 25, 2002

6:30 p.m.	Reception and Dinner D.C. Coast

WEDNESDAY, JUNE 26, 2002

8:00 a.m.	Continental Breakfast
8:30 a.m.	Welcome and Introductions
	Forum Chair: David Mayhood, *President, The Mayhood Company, McLean, Virginia*
9:00 a.m.	Opening Remarks: The Workforce Housing Crisis in America
	John K. McIlwain, *Senior Resident Fellow, Housing, and ULI/J. Ronald Terwilliger Chair for Housing, ULI, Washington, D.C.*
	Group Discussion
9:45 a.m.	Break
10:00 a.m.	Concurrent Working Sessions: Overcoming Barriers to the Provision and Retention of Workforce Housing
10:00–10:45 a.m.	Identification of Barriers
10:45–11:00 a.m.	Break
11:00–11:30 a.m.	Discussion of Solutions
11:30–12:00 a.m.	Identification of Model Programs ■ How can site-related barriers be overcome? ■ How could the regulatory process be improved, and what regulatory incentives could be offered to encourage the development of workforce housing? ■ What financing incentives could be provided to make the provision of workforce housing feasible, and how can affordability be retained over time? ■ How could the design and production of housing be changed to encourage the development of workforce housing?
12:00 p.m.	Lunch
1:00 p.m.	Group Presentations of Solutions, Followed by Discussion
3:00 p.m.	Summary and Next Steps Marta V. Goldsmith, *Vice President, Land Use Policy, ULI, Washington, D.C.*
3:30 p.m.	Adjourn

Policy Forum Participants

Forum Chair

David Mayhood
President
The Mayhood Company
McLean, Virginia

Speaker

John K. McIlwain
Senior Resident Fellow, Housing, and ULI/J. Ronald Terwilliger Chair for Housing
Urban Land Institute
Washington, D.C.

Participants

Lisa Benjamin
Senior Managing Director
Newmark and Bank
Washington, D.C.

Neal Drobenare
Special Assistant to the Deputy Mayor for Planning and Economic Development
Government of the District of Columbia
Washington, D.C.

William Duncan
Senior Program Director
The Enterprise Foundation
Columbia, Maryland

James Durrett
Executive Director
ULI Atlanta District Council
Atlanta, Georgia

Marta V. Goldsmith
Vice President, Land Use Policy
Urban Land Institute
Washington, D.C.

Chickie Grayson
President and CEO
Enterprise Homes
Baltimore, Maryland

Stephen Green
Special Assistant to the Mayor
Government of the District of Columbia
Washington, D.C.

Mossik Hacobian
Executive Director
Urban Edge Housing Corporation
Roxbury, Massachusetts

Richard M. Haughey
Director, Multifamily Development
Urban Land Institute
Washington, D.C.

Marc McCauley
Senior Consultant
Robert Charles Lesser & Co.
Bethesda, Maryland

James McComb
President
McComb Group, Ltd.
Minneapolis, Minnesota

Jacky Morales-Ferrand
Director of Housing Initiatives
Forest City, Stapleton
Denver, Colorado

J. Michael Pitchford
Senior Vice President
Bank of America
Charlotte, North Carolina

Ann Scully
Vice President
The Mayhood Company
McLean, Virginia

Diane Suchman
President
Diane R. Suchman, LLC
Springfield, Virginia

M. von Nkosi
Director, Mixed Income Communities Initiative
Atlanta Neighborhood Development Partnership, Inc.
Atlanta, Georgia

Ortrude White
President
Ortrude White and Associates
Atlanta, Georgia

EXHIBIT 11

Affordable Housing Advisory Committee

WEST PALM BEACH

Housing & Community Development

2017 Housing Incentives Strategy Report

This report was prepared by the City of West Palm Beach Department of Housing and Community Development in close coordination with the Florida Housing Coalition. For additional information, please contact Armando Fana, Director of Housing and Community Development, at 561-822-1250 or at AFana@wpb.org.

WEST PALM BEACH

2017 Affordable Housing Advisory Committee Members

Chester Bishop
SuRealty Title

Suzanne Cabrera (Co-Chair)
Housing Leadership Council

Toby Hartnett
Hartnett Construction

Lisa Maxwell
WPB Housing Authority

Marilyn Munoz
Homeless Coalition PBC

Deborah Raing
Planning Board Member

Nick Rojo
Affiliated Companies

Jack Weir (Chair)
Eastwind Development LLC

TABLE OF CONTENT

INTRODUCTION/ BACKGROUND INFORMATION

The declining supply of housing opportunities primarily for lower and moderate income households continues to be crisis affecting thousands of communities nationwide. The City of West Palm Beach is not exempt from this housing epidemic. Due to current market trends, many City residents are forced to pay a significant percentage of their income for housing which often leads them into crowded shared apartments, sub-standard housing units, or to obtain housing in distant suburbs located far from their jobs. The availability of decent housing that is affordable for residents and within close proximity to work centers is a priority of the City as stated in its 2015-2020 Strategic and Comprehensive Plans.

In order to support the production of affordable housing, the City is committed to strengthening partnerships and initiatives amongst all levels of government and the private sector. Furthermore, through its Department of Housing and Community Development (HCD), the City receives annual allocations of State Housing Initiatives Partnership (SHIP) Program funds from the State of Florida for the creation and/or preservation of affordable housing. In accordance with Florida Statute 420.9076, municipalities that are recipients of SHIP funds are statutorily required to assemble an Affordable Housing Advisory Committee for the purposes of completing a Housing Incentive Strategies Report that recommends affordable/ workforce housing regulatory incentives. The Housing Incentive Strategies Report recommends specific actions or initiatives to encourage or facilitate removing regulatory barriers that limit or increase the costs of development and the preservation of affordable and/or workforce housing units in the City.

The recommendations outlined in the report may include the modification or repeal of existing policies, procedures, ordinances, regulations, or plan provisions; the creation of exceptions applicable to affordable housing; or the adoption of new policies, procedures, regulations, ordinances, or plan provisions, including recommendations to amend the local government comprehensive plan and corresponding regulations, ordinances, and other policies. The City is required, at minimum, to submit the report to the local governing body and triennially thereafter evaluate the implementation of each approved incentive. Should the City Commission decide to approve any of the proposed incentives, applicable plan, ordinances and/or governing resolutions may need to be amended in order to incorporate these changes.

The City of West Palm Beach Department of Housing and Community Development is the lead agency responsible for the development of this Housing Incentives Strategy Report. Interested parties should contact the Department for additional information.

Armando Fana, Director
Housing and Community Development
401 Clematis Street, Third Floor, West Palm Beach, FL 33401
(561) 822-1250 / Afana@wpb.org

Jennifer Ferriol, Housing and Community Development Program Manager
Housing and Community Development
401 Clematis Street, Third Floor, West Palm Beach, FL 33401
(561) 822-1250 / JFerriol@wpb.org

AFFORDABLE HOUSING ADVISORY COMMITTEE MEMBERS & PUBLIC HEARING

The City's Department of Housing and Community Development continues to encourage and seek the participation of residents, community stakeholders, and public employees in order to enrich the planning process and to achieve a common vision for housing development matters. The Department actively sought after exemplary local leaders and professionals to serve on the Affordable Housing Advisory Committee board in accordance with Section 420.9076(2) of the Florida Statute.

Member	Agency	Housing Related Field
Toby Harnett	Harnett Building Group	A citizen actively engaged in the residential home building industry in connection with affordable housing.
Suzanne Cabrera	Housing Leadership Council of PBC	A citizen actively engaged as an advocate for low-income persons in connection with affordable housing.
Marilyn Munoz	Homeless Coalition of PBC	A citizen actively engaged as an advocate for low-income persons in connection with affordable housing.
Jack Weir	Eastwind Development LLC	A citizen actively engaged as a for-profit provider of affordable housing.
Nicholas Rojo	Affiliated Companies	A citizen actively engaged as a for-profit provider of affordable housing.
Lisa Maxwell	Housing Authority of West Palm Beach	A citizen actively engaged as a nonprofit provider of affordable housing.
Chester Bishop	SuRealty Title	A citizen actively engaged as a real estate professional in connection with affordable housing.
Deborah G. R. Raing	Planning Board Member	A citizen who actively serves on the local planning agency pursuant to Florida Statute 163.3174.

The Affordable Housing Advisory Committee convened in series of meetings over a period of three months beginning in July 2017 and ending in November 2017. A schedule of the meetings and the agenda is attached as **Exhibit A.** The meetings took place at City Hall, City of West Palm Beach, located at 401 Clematis Street, West Palm Beach FL 33401.

With the support of internal City staff, including representatives from Development Services, Engineering Services, and Public Utilities, the committee discussed the eleven required affordable housing issues ranging from expedited permitting to development of affordable housing near major transportation corridors and included affordable land use components in future land use amendments. The Affordable Housing Advisory Committee also discussed the housing element of the City's Comprehensive Plan and how it furthers affordable housing issues.

The Public Meeting held before the Affordable Housing Advisory Committee was convened on November 13, 2017 at 9:30 AM at City Hall. The Report was presented to the City of West Palm Beach City Commission at a Mayor/Commission Work Session held on that same date. Copy of required advertisement is attached as **Exhibit B.**

There were no Public comments received.

COMMITTEE INCENTIVE REVIEW AND RECOMMENDATIONS

The recommendations outlined below were derived from multiple discussions held between City staff and the Affordable Housing Advisory Committee. Approved recommendations by the City Commission are used to amend the Housing Assistance Incentives Program (Resolution No. 83-16), the Local Housing Assistance Plan, applicable elements of the Comprehensive Plan, and other ordinances and/or resolutions.

	Required Statutory Incentive	Current Process
Incentive 1	The processing of approvals of development orders or permits, as defined in s. 163.3164(7) and (8), for affordable housing projects is expedited to a greater degree than other projects.	Under the current process, all building permit applications for affordable housing/ workforce housing projects are processed under the "Expedited Plan Review". The expedited permitting fees are waived for affordable housing projects. This incentive is eligible for affordable and/or workforce housing projects city-wide.

Proposed Recommendation

The Affordable Housing Advisory Committee recommends for the City to continue implementing the current incentive. In addition, the committee further recommends the following action(s):

- The City shall develop written policies and procedures for the expedited permitting process. Along with the developed policy, responsible parties shall conduct ongoing training to City staff on their roles and responsibilities pertaining to this process.
- The City shall appoint an ombudsman (either through Development Services or Housing and Community Development) to assist developers with expediting permitting disciplines and throughout the trajectory of the affordable/workforce development project.
- The City shall develop a process for educating new developers about the incentives available for affordable and/or workforce housing. Housing and Community Development staff should be included in the pre-application meetings with the developers for all known affordable and /or workforce housing projects.
- The City, more specifically the Department of Housing and Community Development, Development Services, and Engineering services should collaborate to ensure that the expedited permitting review specifically for affordable and/or workforce housing projects are accurately addressed in the proposed permitting, inspection, and licensing software system.

City Staff Comments

Based on the recommendations of the Affordable Housing Advisory Committee, the City's Development Services Department staff agrees to follow the recommendations as proposed for this incentive. The Department has hired consulting firm, Plante Moran, to assist with documenting processes and drafting a Request for Proposals (RFP) for new land development software which includes building permitting. The RFP will cover the need for an effective means of flagging affordable and workforce housing projects as expedited projects separate from general paid expedited projects. Housing and Community Development staff has been invited to participate in the software development process.

Incentive 2	Required Statutory Incentive	Current Process
	The modification of impact-fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing.	Impact fees associated with development are charged by the County. Engineering construction administration fee is reduced by 25% from 2.5% of site costs to 1.875% of site costs. This incentive is eligible for affordable and/or workforce housing projects city-wide.

Proposed Recommendation

The Affordable Housing Advisory Committee recommends for the City to continue implementing the current incentive. In addition, the committee further recommends the following action(s):

- Reduce the Engineering Services "Site Development Improvement Review" fee by 25% from 3% of site costs or $1,000 minimum to 2.25% or $750 minimum. ***(Resolution and/or Ordinance Required)***

City Staff Comments

Based on the recommendations of the Affordable Housing Advisory Committee, City staff concurs with the recommendations as proposed for this incentive.

Incentive 3	Required Statutory Incentive	Current Process
	The allowance of flexibility in densities for affordable housing.	The City allows for increased Floor Area Ratio (FAR) within the Downtown Master Plan for projects that include affordable, attainable and workforce housing.

Proposed Recommendation

The Affordable Housing Advisory Committee recommends for the City to continue implementing the current incentive. The Affordable Housing Advisory Committee further recommends for this incentive to be eligible for projects located city-wide.

City Staff Comments

Based on the recommendations of the Affordable Housing Advisory Committee, City staff recommends continuing its review of existing zoning ordinances in order to determine areas where increased density incentives would be beneficial for the development of affordable and/or workforce housing.

Incentive 4	Required Statutory Incentive	Current Process
	The reservation of infrastructure capacity for housing for very-low-income persons, low-income persons, and moderate-income persons.	The City currently waives capacity charges for water and wastewater for affordable and/or workforce housing projects in accordance with resolution 83-16. This incentive is eligible for affordable and/or workforce housing projects city-wide if over 51% of total units and within the Downtown Master Plan on a pro-rata basis if over 10% of total units.

Proposed Recommendation

The Affordable Housing Advisory Committee recommends for the City to continue implementing the current incentive.

City Staff Comments

The Public Utilities Department has retained a consultant to perform a capacity fee study and the current incentive criteria will be reviewed based on the outcome of the study with recommendations on continuation or expansion of the incentive being issued once study is completed. Staff recommends maintaining current incentive until results derived from the study are concluded.

Incentive 5	Required Statutory Incentive	Current Process
	The allowance of affordable accessory residential units in residential zoning districts.	The City currently allows for accessory residential units in SF-14 Districts and Live/ Work segments of Mixed Use Categories.

Proposed Recommendation

The Affordable Housing Advisory Committee recommends for the City to continue implementing the current incentive.

City Staff Comments

The City concurs with the recommendation(s) of the Affordable Housing Advisory Committee.

Incentive 6	Required Statutory Incentive	Current Process
	The reduction of parking and setback requirements for affordable housing.	The City currently has a reduction of 10% on required parking area for affordable and/or workforce housing city-wide as per Ordinance 4716-17.

Proposed Recommendation

The Affordable Housing Advisory Committee recommends for the City to continue implementing the current incentive. In addition, the committee further recommends the following action(s):

- City Commission shall approve ordinance regarding a 50% reduction for elderly/ disabled projects (will be recommended at the 11/21/17 Planning Board meeting). ***(Resolution and/or Ordinance Required)***

City Staff Comments

The City concurs with the recommendation(s) of the Affordable Housing Advisory Committee.

	Required Statutory Incentive	Current Process
Incentive 7	The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing.	The City currently allows for flexible lot configurations, including zero-lot-line configurations for affordable housing in the Downtown Master Plan Area in accordance with Section 94-134.

Proposed Recommendation

The Affordable Housing Advisory Committee recommends for the City to implementing the current incentive. The Affordable Housing Advisory Committee further recommends for this incentive to be eligible for both Affordable and Workforce Housing projects located in the Downtown Master Plan area. ***(Resolution and/or Ordinance Required)***

City Staff Comments

The City concurs with the recommendation(s) of the Affordable Housing Advisory Committee.

	Required Statutory Incentive	Current Process
Incentive 8	The modification of street requirements for affordable housing.	The City currently reduces engineering fees associated with roadway closure/obstruction, sidewalk closure/obstruction and roadway sidewalk closure or delay by 25% for affordable, attainable, or workforce housing projects City-wide.

Proposed Recommendation

The Affordable Housing Advisory Committee recommends for the City to continue implementing the current incentive. In addition, the committee further recommends the following action (s):

- The City should amend current ordinance(s) to include language that allows for Engineering Services to have periodic reviews (every 12 months) of the products and standards required by the City. Engineering Services should have the authority to make changes based on new products on the market that may be more cost effective or provide improved technology. ***(Resolution and/or Ordinance Required)***

City Staff Comments

The City concurs with the recommendation(s) of the Affordable Housing Advisory Committee.

Incentive 9	**Required Statutory Incentive**	**Current Process**
	The establishment of a process by which a local government considers, before adoption, policies, procedures, ordinances, regulations, or plan provisions that increase the cost of housing.	The City currently designates a staff person within the Department of Housing and Community Development that is notified of all agenda items and determines if it has an impact on the cost of housing. The staff person then provides a comment to the City Commission on the potential increase in housing cost.

Proposed Recommendation

The Affordable Housing Advisory Committee recommends for the City to continue implementing the current incentive. In addition, the committee further recommends the following action (s):

- The City should ensure that the Department of Housing and Community Development is included in the Planning Plats Review Committee meeting and the Downtown Action Committee meeting; and
- The City should amend the development application to add a check box that would indicate that the project includes affordable and/or workforce housing.

City Staff Comments

The City concurs with the recommendation(s) of the Affordable Housing Advisory Committee.

Incentive 10	**Required Statutory Incentive**	**Current Process**
	The preparation of a printed or electronic inventory of locally owned public lands suitable for affordable housing.	The City currently takes steps to comply with the requirements of Florida Statute 166.0451 which requires that every three years a municipality in Florida must prepare an electronic inventory list of all the real property it owns "appropriate" for use as affordable housing. In the past two years, on multiple occasions, the City has provided an Affordable Housing inventory list for approval by the City Commission for sale and/or donation. The properties sold have/ are expected to generate $ 2.5 million in Housing Trust Fund dollars and over a dozen units of affordable housing development through donations to non-profit housing developers.

Proposed Recommendation

The Affordable Housing Advisory Committee recommends for the City to continue implementing the current incentive and procedures. The committee further recommends the following actions:

- The City should develop written policies and procedures for how it would determine if publically owned land is deemed or considered "suitable for affordable housing".
- The City should develop an ordinance mandating that any land acquired or donated to the City should be routed to the Department of Housing and Community Development in order to determine if the land is suitable for affordable housing. ***(Resolution/Ordinance Required)***
- The City should provide resources for a Land Management Division within the Department of Housing and Community Development and provide appropriate funding for such. ***(Resolution/ Ordinance Required)***

The Affordable Housing Advisory Committee further recommends for this incentive to apply for both Affordable and Workforce Housing projects located city-wide.

City Staff Comments

The City concurs with the recommendation(s) of the Affordable Housing Advisory Committee.

	Required Statutory Incentive	Current Process
Incentive 11	The support of development near transportation hubs and major employment centers and mixed-use developments.	The City's Comprehensive Plan Land Use Element encourages affordable housing near transit hubs/stations.

Proposed Recommendation

The Affordable Housing Advisory Committee recommends for the City to continue implementing the current incentive. The Affordable Housing Advisory Committee further recommends for this invective to be eligible for both Affordable and Workforce Housing projects located city-wide. ***(Resolution and/or Ordinance Required)***

City Staff Comments

The City concurs with the recommendation(s) of the Affordable Housing Advisory Committee.

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OTHER RECOMMENDATIONS

In addition to required incentives the Affordable Housing Advisory Committee is also recommending the following initiatives to encourage affordable/ workforce housing through the City:

The Affordable Housing Advisory Committee recommends for the City to amend applicable elements of its Comprehensive Plan, the Housing Assistance Incentives Program, the Local Housing Assistance Plan, and all other plans in order to redefine the following definitions:

- Affordable Housing- Housing that is affordable for households at or below 80% of the Area Median Income as defined by the U.S. Department of Housing and Urban Development (HUD) income limits per household size and that meets maximum housing payments established by HUD, Florida Housing Finance or local ordinance. Housing payments generally do not exceed 35% of household's gross monthly income.

- Workforce Housing -Housing that is affordable for households with incomes between 80% and 140% of the Area Median Income. Area median income eligibility for workforce housing programs and incentives will be based on a percentage of the median income as published by the U.S. Department of Housing and Urban Development, Fannie Mae, or the State of Florida.

The Affordable Housing Advisory Committee recommends that affordable/ workforce housing incentives would apply when there is a minimum of 10% or 10 units that meet the affordable and/or workforce definitions. The incentives would be applied on a pro rata basis starting with a 10% reduction in fee waivers when there are 10% or 10 units that meet the affordability definition. Thereafter, the fees are pro-rated so that 20 affordable/ workforce units or 20% of units would result in a 20% fee reduction, 30 affordable/ workforce units or 30% of units would result in a 30% fee reduction, etc. Once 50 or 50% of units or more are workforce units are provided, the fee reduction is fully waived by 100%.

The Affordable Housing Advisory Committee recommends for the City to make all incentives available for affordable and/or workforce housing projects.

The Affordable Housing Advisory Committee recommends for the City to enforce long-term affordability for those that receive expedited permitting and affordable housing waivers. If project has an affordability period, a deed restriction can be recorded for the affordability period required by the funding source. If there is no affordability restriction, restrictions shall be in accordance with a City developed criteria based on the number of affordable units required based on savings created by incentives.

The Affordable Housing Advisory Committee recommends for the City to consider updating the Art in Public Places Ordinance allowing for a pro rata reduction of the fee's for affordable and/or workforce housing projects.

City Staff Comments

City staff concurs with the other recommendations with the exception of extending waiver incentives to projects in excess of 10% of total units or 10 units for workforce housing projects (80-140% AMI) city-wide. Staff recommends that incentives only be available city-wide for workforce projects where 51% or more of the units are set aside for the workforce income levels as there are many areas of the City where workforce housing costs would be the same or greater then market rate. Housing and Community Development should do a housing market analysis and work with the existing Palm Beach County Housing Summit Regional Sub-Committee to determine equitable incentives for workforce housing within the City limits, which may include pro-rated applications of incentives in high cost areas, areas with low homeownership rates or other factors. Staff should also conduct a fiscal impact analysis to quantify the potential loss of revenue and quantify potential benefits of adding more affordable/workforce units. The results with recommendations should be reported to the City Commission for possible adoption by the 3rd quarter of 2018.

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EXHIBIT A- MEETING AGENDA

Meeting Date	Agenda	Meeting Minutes
July 20, 2017	1.Introduction of staff and Committee Members/ Appointment 2. Appointment of Chair and Vice-Chair 3. Introduction of Duties and Responsibilities of Board 4. Review of current incentives 5. Review timeline 6. Adjourn	Meeting minutes are available upon request.
July 27, 2017	1. Approve minutes 2. Review the following incentives: a) Expedited Permitting b) Modification of impact fee requirements c) The support of development near transportation hubs 3. Adjourn	Meeting minutes are available upon request.
August 10, 2017	1. Approve minutes 2. Review the following incentives: a) The allowance of affordable accessory residential units b) Local Government Review Process c) The allowance of flexible lot configurations 3. Adjourn	Meeting minutes are available upon request.
August 24, 2017	1. Approve minutes 2. Review the following incentives: a) The allowance of flexibility in densities b) The reduction of parking and setback requirements c) Modification of Street Requirements 3. Adjourn	Meeting minutes are available upon request.
October 12, 2017	1. Approve minutes 2. Review the following incentives: a) Printed inventory of locally owned lands b) The reservation of infrastructure capacity c) Other Recommendations of the committee 3. Adjourn	Meeting minutes are available upon request.
October 26^{th}, 2017	Final Meeting to discuss final incentive recommendations Prove feedback to Department Directors.	Meeting minutes are available upon request.
November 13, 2017	Advertised public Hearing 1. Approve minutes 2. Review incentive plan Recommendations 3. Receive Public Comments	Meeting minutes are available upon request.

	4. Vote to accept incentive plan recommendations of the affordable housing advisory committee for submission to the Mayor and City Council 5. Adjourn Present to City Commission at Mayor Commission Work Session	

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EXHIBIT B- PROOF OF REQUIRED ADVERTISMENT

Notice of Public Meeting
Affordable Housing
Advisory Committee

The City of West Palm Beach is required by Florida Statute 420.9076 to establish an Affordable Housing Advisory Committee (AHAC) in order to complete a Housing Incentive Strategies Report. The report recommends specific actions or initiatives to encourage or facilitate removing regulatory barriers that limit or increase the costs of development and the preservation of affordable and/or workforce housing units in the City.

The recommendations outlined in the report may include the modification or repeal of existing policies, procedures, ordinances, regulations, or plan provisions; the creation of exceptions applicable to affordable housing; or the adoption of new policies, procedures, regulations, ordinances, or plan provisions, including recommendations to amend the local government comprehensive plan and corresponding regulations, ordinances, and other policies. The City is required, at minimum, to submit the report to the local governing body and triennially thereafter evaluate the implementation of each approved incentive. Should the City Commission decide to approve any of the proposed incentives, applicable plan, ordinances and/or governing resolutions may need to be amended in order to incorporate these changes.

It is expected for the AHAC Committee to approve the recommendations at a public meeting held on:

Date: Monday, November 13, 2017
Time: 9:30 AM
Location: City of West Palm Beach – City Hall, 401 Clematis Street
WPB, FL 33401
Floor: 1st Floor
Room: Flagler Gallery

City staff will shortly thereafter present the recommendations provided by the AHAC members to the Mayor, City Commission, and other civic leaders at a Mayor/Commission Work Session beginning at 10:00 AM.

Interested parties are encouraged to attend and participate. A copy of the committee recommendations will be available at the Department Housing and Community Development (HCD), 401 Clematis Street, 3rd Floor, West Palm Beach, FL 33401, between the hours of 8:00 a.m. and 5:00 pm – Monday thru Friday or by calling Jennifer Ferriol, HCD Program Manager at (561) 822-1250 or e-mail at jferriol@wpb.org. If you need special accommodations please call 561-822-1250.

Publish: The Palm Beach Post
11-9/ 2017

0000252858-01

EXHIBIT 12

Palm Beach County 2107 Housing Summit
Attainable Housing
Guiding Principles & Actions

Goal

To increase housing that is affordable, attainable and appropriate to maintain a sustainable community.

Shared Investment & Responsibility

- Establish **linkage fees** for non-residential projects and-or a dedicated local revenue source for attainable housing initiatives in local jurisdictions. Suggestions include an attainable housing impact fee, transfer fee, job creation fee, etc.

- Consider a developer exchange programs wherein market rate developers link with **attainable housing developers** to provide off-site attainable housing in proximity to transportation, job corridors and other areas of opportunity.

- Develop local partnerships with banks, local government, non-profits, developers, employers, service providers, school districts, etc.

- Solicit government assistance for supplemental (area) improvements such as infrastructure and parks from local, state and federal funding.

- Local governments develop **marketing plans** to promote attainable housing initiatives and reduce the NIMBY (not in my backyard) effect on attainable housing projects.

Preservation of Existing Stock

- Review and implement strategies that provide timeframes for attainable housing unit affordability while understanding the principal that **housing ownership equity** is a wealth builder.

- Local governments work with state legislators, building code officials, insurance carriers, etc. to develop and implement strategies to bring **existing housing stock** to current building code, hurricane hardening and energy efficiency standards. There must be an understanding of the costs associated with such improvements and providing local government subsidies, programs, mortgage assistance and fee structures that allow for the upgrades without pricing the unit out of attainable housing ranges.

- Local governments develop a long-term plan to utilize attainable housing initiatives to promote redevelopment and/or rehabilitation of existing housing stock to **bring back blighted neighborhoods**, thereby preventing gentrification of downtown areas. Such plans should promote flexibility, provide for a sense of place in existing neighborhoods and under appropriate circumstances allow additional density.

- Use community land trusts to preserve the units being created, by permanently holding land under workforce units to reduce costs to initial and subsequent buyers.

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Expanded Housing Diversity

- Amend land development regulations to encourage the use of **innovative development alternatives**, such as, but not limited to, container housing, micro houses, small houses on small lots, accessory dwelling units and alternative construction materials.

- Combine rental with ownership and workforce with market rate units to lower costs and create more stable communities. Ensure a mix of income, with 25-50% of units as workforce.

- Ensure that workforce rental and ownership units are indiscernible from market rate projects in amenities, exterior appearance and quality.

Enhanced Development Incentives

- Amend local government comprehensive plans and land development codes to provide for attainable housing initiatives that: (a) provide **density bonuses** to residential projects that provide a minimum of ten (10) percent of the total projects units within attainable housing price ranges; and, (b) provide **additional density bonuses** to residential projects that provide more than ten (10) percent of the total projects units within attainable housing prices. The resulting attainable housing can be built either on-site or off-site; either in new construction or rehabilitation of existing market rate housing stock.

- Establish infrastructure **subsidies** for projects containing attainable housing.

- Reduce and/or waive planning, zoning, utility, building and impact fees.

- Enhance PBC Impact Fee Credit Program.

- Provide tax abatement or other tax relief.

- Sell Transfer Development Rights, TDR's, at reduced rates for workforce-affordable housing units.

Reduced Regulatory Barriers

- Amend local government land development codes to provide **reduced/flexible property development regulations** for both attainable and market rate units. Encourage the use of reduced minimum lot sizes, lower minimum floor area, reduced setbacks, higher lot coverage, smaller buffers, reduced minimum parking standards, reduced recreation requirements, among others.

- Local governments establish attainable housing overlay in areas proximate to transportation and job corridors that **expedite permitting process** for projects containing attainable housing. This could include establishment of **permit coordinators** that stay with the project throughout the permitting process.

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Strategic Sustainable Developments

- Local governments amend the Future Land Use maps, Future Land Use elements and other portions of local Comprehensive plans allowing **all non-residential properties**, inclusive of commercial, industrial, institutional, public owners, etc., to establish underlying residential development potential that creates additional attainable (workforce) housing units and long-term preservation of existing units. The allowed underlying residential density can utilize any density bonus programs established to promote attainable housing.

- Amend local comprehensive plans and land development regulations to **promote Transit Oriented Developments** that contain attainable housing in transportation and job corridors in support of attainable housing goals.

- Local governments should face the issue of whether marginally slower traffic movements are more important than the goal of attainable housing. For those local government who realize and acknowledge the crisis, formal amendment should be made to the local Comprehensive Plans giving clear instructions to **favor attainable housing**.

- Local governments should inventory and determine **publicly owned lands** that could be made available for attainable housing projects and establish an RFP (request for proposal) process by which these lands could be made available for attainable housing projects.

Increased Financial Resources

- Municipalities and business community should work diligently with neighboring municipalities and business groups to stop the State from sweeping the Sadowski Affordable Housing Trust Fund.

- Use public private partnerships, including private equity funds, for creative financing.

- Allow Tax Increment Financing (TIF) to fund workforce-affordable housing.

- Provide appropriate loans (subordinated debt) to developers.

- Use a rental floor commensurate with Area Median Income to facilitate financing of rental developments.

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