



FINAL

Collier County Community Housing Plan

October 24, 2017

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Executive Summary

Collier County has a statutory obligation to provide for housing its current and anticipated population, including those most vulnerable. Affordable housing is part of a community's infrastructure and therefore it impacts the entire community. First responders, health care professionals, teachers and others have been priced out of the housing market and have to commute long distances. A vibrant and sustainable community needs to accommodate its workforce so that those people who educate our children and save our lives can live near where they work, if they choose.

In response to community concerns about the unmet needs, development of the Collier County Community Housing Plan was commissioned by the Collier County Board of County Commissioners in March 2016.

An initial and on-going struggle in this endeavor has been achieving a common understanding of the definition of affordable housing, as well as how housing is tracked and reported in order to inform decision making. This plan recommends a new and simple definition to be in line with federal and state definitions, and focuses on the household income in determining whether or not housing is affordable. Under the definition, if a household spends less than 30% of their gross income on housing, then housing is affordable. The definition is inclusive of all populations including seniors and persons with special needs.

Also, a decision is required as to the top income level to be considered affordable housing, and it is recommended that level be 140% of the Area Median Income, or \$90,432 for a 3-person household in 2017.

In early 2017, the Urban Land Institute performed a panel review of the housing situation in Collier County. Among their conclusions is that Collier needed to reframe its view of housing to better meet the needs of the 40% of the population (58,685 households) already living here that are spending more than what is affordable on housing. This large segment of Collier County's population is living here un-affordably.

With a common definition, an income cap, a focus on better meeting the needs of the cost burdened who live here, and an analysis of current market availability, a needs and response model has been developed. **The needs model indicates a need for 1,665 additional units to be developed at various income levels in the next year.** These units would house new entrants to the county, and also achieve a new "level of service standard" to reduce the existing cost burdened population by 1% to 3% of the population.

"Housing is not a social issue, it is an economic issue."

-ULI Panel



The response model implements the six core strategy recommendations from the ULI Panel which are: Review regulation and governance to simplify, expedite and reduce cost of development; increase supply of rental and for-sale product for the determined income categories; maintain or restore existing supply, enhance transportation options; and increase communication and engagement concerning housing that is affordable.

The key elements of the recommendations include increasing certainty in the process, reducing specified development costs and review times, enhancing existing incentives such as the affordable housing density bonus program and the activity center bonuses, implementing a mixed income ordinance with enhanced density and flexible in-lieu of options, adopting a non-residential linkage fee to garner sustainable revenue for a housing trust fund, creation of a community land trust and process for land donations, and significant improvements with respect to impact fee relief. The plan will address housing for seniors and those with special needs, as well as disaster recovery housing. All of these strategies and incentives are intended to function as a complete package in order to achieve their desired results.

The response model developed indicates that the incentives and other programs can help Collier meet its objectives, but may still fall short.

Extensive research was conducted, and the exhibits and support papers are available for detailed review on the background of plan elements. The plan is intended as a short and long range incentive program to address current and future housing needs, and will be evaluated periodically to determine the extent to which headway is being made.

The Stakeholder Committee recommends this plan to the Affordable Housing Advisory Committee, and the Affordable Housing Committee and staff recommends this plan to the Board of County Commissioners.



Plan Development & Community Participation:

In March 2016, the Board of County Commissioners directed the development of a cohesive, inclusive plan to meet the housing affordability needs of the entire County. The creation of a Community Housing Plan (CHP) includes addressing the current and future housing affordability needs of Collier County as required by Florida State Statute 163.3177(6)(f)a, with input from a diverse group of community stakeholders. The goal was to help create and guide the development of a long term, comprehensive plan within eighteen (18) months, or by September 2017. The Board of County Commissioners approved the creation and appointment of members to a Community Housing Stakeholders Group on June 14, 2016. More than 35 Stakeholders, representing a broad coalition of members from major employers, developers and real estate professionals, to non-profits, advocacy groups, and others have met regularly since the first meeting on July 25, 2016. They have spent countless hours researching and discussing options that could be utilized in Collier County to encourage the development of housing that is affordable to a wide range of incomes and households. The Housing Stakeholder Committee has worked to build public and private partner solutions to the housing affordability crisis. There has been extensive research and analysis of existing data and proposed methods and tools to address this critical community issue to encourage the development of a wider variety of housing opportunities affordable to a broad and diverse spectrum of Collier County residents.

The Stakeholders committee and the County's Affordable Housing Advisory Committee (AHAC) have worked closely together and held more than 20 regularly scheduled meetings, 30 subcommittee meetings, and 5 public hearings since July 2016. The Community Housing Stakeholders Group has presented its recommendations to AHAC, DSAC, and other public and private committees to ensure that multiple voices are included in this community-wide process.

Creating more housing that is affordable to a broad cross section of the community will help make Collier County a more sustainable, diverse, vibrant, and livable community in the coming years.

FL Statues Chapter
163.3177 (6)(f) a.-

Every local jurisdiction
must plan for the
provision of housing
for all current and
anticipated future
residents of the
jurisdiction.



Collier County Housing Stakeholder Members & Contributors:

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Affordable Housing Advisory Committee (AHAC)

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John Cowan	Denise Murphy
Mary Waller	Scott Kish
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Other Contributors

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October 24, 2017

To the Board of County Commissioners,

As members of the County appointed Housing Stakeholders Committee, the Affordable Housing Advisory Committee, and employers and residents of Collier County, we are grateful for the opportunity to have met and studied the housing affordability problems that face Collier County. We have spent more than 18 months meeting, researching and discussing this challenge impacting our community. We have determined that there is a need to seriously address the lack of housing that is affordable now, in 2017 and 2018; and not "kick the can" down the road.


Many facets of the public sector and business communities have difficulty hiring and retaining employees who cannot find rental or for-sale housing that is affordable based upon their income. From our research and discussions, the lack of housing affordability impacts a very broad section of our community from professionals in health care, education, and other businesses, to our first responders, our hospitality and construction engines, and our low-income senior citizens.

The proposed plan presents a well-reasoned, modest, and balanced approach that is based on facts and best-practices, that acknowledges that we all have a part to play in implementing interwoven strategies and solutions. This plan moves us forward as a community in addressing this important issue.

As stakeholders actively involved in these discussions, we the undersigned whole heartedly submit this Plan to the Affordable Housing Advisory Committee (AHAC) for approval. On behalf of the AHAC, these recommendations are accepted and supported, and most importantly, we endorse the implementation by the Board of County Commissioners of the recommendations presented in the Community Housing Plan. Jointly, we stand at the ready to continue assisting Collier County Government in addressing this matter that has tremendous impact on the quality of life, sustainability, vibrancy, and future of this community that we all proudly call home.

Respectfully,

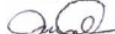

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“From the panel’s perspective, the real need in Collier County is for action and implementation. This implementation will require political will and leadership. In addition, the community at large will need to prepare for and adapt to the growth that is certain to occur in the county.” – ULI Panel Report pg 7



Current Housing Conditions:

Urban Land Institute (ULI) Findings

In the fall of 2016, the Urban Land Institute (ULI) was hired to help Collier County develop a community-wide approach to address the local housing affordability challenges. The Board of County Commissioners had previously held affordable housing workshops in March 2015 and 2016 to address the housing affordability crisis which has continued to grow since the end of the Great Recession (2007-2011).

Members of the ULI team spent a week in Collier County touring the community, meeting with more than 100 stakeholder representatives, processing data/information and holding a preliminary workshop with elected officials to offer recommendations and suggestions. The ULI Panel report titled, Collier County Florida January 29-February 3, 2017, resulted in a call to action with 35 specific recommendations and some startling statistics.

In the opening of the ULI Panel Report the team stated that they were "...impressed with the time, the effort, and the quality of work that has been invested in this subject by the commissioners and Collier County staff." However, the panel also stated that **"From the panel's perspective, the real need in Collier County is for action and implementation. This implementation will require political will and leadership."**(pg 7)

Reframing Housing Affordability - Cost Burdened

ULI focused on those families and individuals in our community who are **"cost burdened"**; meaning they spend more than 30 percent of their gross income on housing costs, which includes mortgage principal and interest, property tax, HOA fees, and homeowner's insurance payments. In conjunction with this definition are those community members who are **"severely cost burdened"** meaning that they spend more than 50 percent of their gross income on housing cost. This population is the most at-risk. The ULI report states that "The advantage of using the cost-burden terminology is that it does not put the focus on income alone; instead, it examines income as compared to housing cost." (pg 11)

The Shimberg Center at the University of Florida estimated that forty percent (40%) of all Collier County households (58,685 households) were cost burdened in 2015. Of these 58,685 households, 29,342 were considered Severely Cost Burdened, spending more than 50% of their monthly income on housing expenses.

"There is no question that Collier County has a housing affordability problem. Part of the challenge stems from a significant lack of supply in terms of housing type and level of affordability throughout the county."

– ULI Panel Report

"In 2015, 2 out of every 5 households in Collier County were cost burdened, spending more than 30% of their income on housing."

– ULI Panel Report



Figure 1. Cost Burdened Professions

Who is cost-burdened in Collier County? <u>People from across the community</u>	
Public Safety	Firefighters, Police Officers
Health Care	Nurses, Nursing/Medical Assistants, Senior Care Providers
Education	Teachers & Teacher Assistants, Support Staff
Service Workers	Wait staff, hotel staff, retail / trade salespeople, golf course employees, landscape maintenance
Entry / Middle Level Professionals	Bank tellers, government employees, administrative assistants

These job sectors make up over 50% of all jobs in the county
They are first responders, educators of children, and health care providers.

Growth Implications

According to the ULI Report, “The county is expected to add 58,000 households over the next 23 years. **If the local issue of cost burden is not addressed, then – at a minimum - 11,000 more households will experience severe cost burden (above 50 percent) than do households today.**” (pg 16)

Jobs-Housing Imbalance Impacts Economic Development and Quality of Life

There is a Jobs-Housing imbalance in Collier County resulting in at least 17.4% of the workforce (approximately 40,000 people) commuting daily from outside of Collier County. These employees work in Collier but live in Lee, Charlotte, or other counties where they spend their wages on rent, a mortgage, purchasing groceries, gas, and other necessities. Many public-sector employees (Sheriff’s Office, County & City government, School personnel) and large segments of the private sector cannot afford to live in Collier County. Their daily commutes from neighboring counties add to the traffic congestion on the roadways and diminish quality of life and active citizen participation.

The ULI report identified “one critical challenge for Collier County businesses is the ability to recruit entry-level professionals.” (pg 14.) According to the ULI, “having employees who reside outside of Collier County and who commute long distances for work means a high level of attrition for businesses. “There are multiple challenges that first responders, educators, and others with modest incomes face when wanting to live close to their jobs. For these employees, the inconvenience and cost associated with commuting results in a decrease in “take home” pay; all the while adding to an increase in traffic congestion. Providing access to housing close to jobs can reduce commuting time (increasing leisure time), reduce commuting costs (increasing take home pay), reduce traffic congestion, and reduce automobile emissions.

According to a survey of Collier County BCC employees, 32% of the workforce drives more than 30 minutes each day to and from work-home with 5% of the workforce driving more than 60 minutes each day. – County survey 2016

Approximately **40,000 people** commute daily from outside of Collier County. – US Census



The same holds true for those employers recruiting for hospitality and service sector employment. Resort and second-home communities require retail and service employees, but many of these employees are not able to live near their job due to a lack of housing that is affordable. Stores, hotels and restaurants cannot afford to pay high enough wages to allow their employees to live in affluent areas, and as a result, suffer from short-staffing, absenteeism and high turnover. The ULI panel report states that “Furthermore, when people who work in the county are commuting to adjoining municipalities to live, the county bears the costs of the roads without the benefit of receiving the tax revenue.” (pg 14)

Figure 2. Sample Cost Burdened Employment in Collier County

	Annual Wage Range (Entry to Median)	Median Gross Rent	2015 Median Home Sales Price	Homes Priced at 50% of Median Price
		\$1,020 / Month	\$405,000	\$200,000
Health Care				
Registered Nurses	\$47,000-\$65,000	24%	38%	19%
Medical Assistants	\$30,000-\$35,000	41%	68%	34%
Emergency Technicians	\$28,000-\$36,000	42%	68%	34%
Education				
Teachers	\$44,000-\$59,000	28%	50%	25%
Teaching Assistants	\$22,000-\$24,000	45%	101%	51%
Public Safety				
Firefighters	\$39,000-\$57,000	29%	43%	21%
Patrol Officers	\$47,000-\$59,000	26%	41%	21%
Service Workers				
Maids/Housekeeping	\$18,000-\$22,000	66%	109%	55%
Massage Therapist	\$26,000-\$55,000	37%	44%	22%
Concierges	\$25,000-\$31,000	48%	78%	39%
Entry Level/ Mid Tier Professionals				
Human Resources Specialists	\$35,000-\$55,000	31%	45%	22%
Dental Assistants	\$33,000-\$43,000	36%	57%	29%
Administrative Assistants	\$22,000-\$33,000	49%	73%	37%

Source: ULI Collier Report 2017

Figure 3. 2009-2014 Employment Commuting Patterns in Collier Co.

Commuting to Collier County for Jobs	20,313 employees out of 138,490 total Collier County Jobs commute from another county (2009-14)	14.7% of workforce commutes from another county into Collier	Commute from: Lee, Hendry, Charlotte, Broward, Miami-Dade, Sarasota, Hillsborough, Highlands, Orange & Palm Beach Counties
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Source: U.S. Census Bureau, 2009-2013, American Community Survey

According to the ULI research, there were an extremely small number of available units on the market for households earning 80-100% of area

“Furthermore, when people who work in the county are commuting to adjoining municipalities to live, the county bears the costs of the roads without the benefit of receiving the tax revenue.”- ULI Report (pg 14)



median income in February 2017. Both the rent and for sale housing prices in Collier continue to outpace neighboring counties forcing employees to commute 30 to 100 miles each way, spending their wages in adjacent counties. Collier’s housing affordability gap will continue to grow as rents and for sale housing prices continue to trend upward year over year.

Figure 4. “Availability Snapshot” February 1, 2017

Units on the Market for Households who make 100% or less of Area Median Income (\$68,300)	Housing Units Available
Single Family - For Sale	125
Condo- For Sale	250
Single Family - Rentals	0
Multi-Family Rentals	23

Source: ULI Report 2/1/2017 (MLS & Apartments.com, Zillow.com, Craigslist.com, and others)

Figure 5. Collier County Fair Market Rent Increases 2016/17

Collier County Rents					
	Efficiency	1 bdrm	2 bdrm	3 bdrm	4bdrm
2017 Fair Market Rent	\$801	\$973	\$1,195	\$1,606	\$1,996
% chg from prior year	+11.3%	+14.3%	+14.7%	+15.5%	+15.6%

Source: Collier County Apartment Survey, HUD

Figure 6. Collier County Median for Sale Housing Increases 2016/17

	Multi-Family	Single-Family	Combined
March 2017 Collier Median Sale Price	\$275,000	\$422,000	\$340,000
% change from prior year	+7%	+5%	+5%

Source: NABOR April 2017

Collier’s housing affordability gap will continue to grow as rents and for sale housing prices continue to trend upward year over year.



Market Trends

Collier County's historical development pattern is low density, single family homeownership. Since its initial establishment, Naples and Collier County have focused on high-end second home communities, seasonal resort tourism, and the businesses that support this economic engine. As a result of this market driven pattern, large segments of the population have been underserved and priced out of the market. The County's housing production is not sufficiently diverse with regard to size, tenure, location, and price points, to adequately reflect the social, economic, and age related diversity of our population.

The result of these trends and policies is a significant disparity between the cost of housing and the incomes of the average person and the working poor. Furthermore, the members of the workforce with low to moderate wages, and members of the community on fixed incomes, have limited housing options. All of these historical development patterns, high housing cost, and other disparities limit Collier County's ability to attract and retain a strong workforce and to sustain and expand our economy.

The challenge is to embrace public policies and encourage changes in development trends to ensure that Collier County has a diverse, affordable housing stock that reflects the needs of our current and future population with regard to type, tenure, cost, location, safety, and accessibility. The community must begin to think differently as we plan for a vibrant, sustainable future, addressing the needs of multiple generations of renters and homeowners who provide the needed services that enhance our community's quality of life.

According to the National Low Income Housing Coalition's annual **Out of Reach the High Cost of Housing** publication, the gap between renters' wages and the cost of rental housing continues to escalate. The rental housing market has continued to experience strong demand since the Great Recession, as homeownership rates have declined.

"Household income has not kept up with the rising cost of rental housing. From the housing crisis of 2007 to 2015, the median gross rent for a rental home in the U.S. increased by 6%, after adjusting for overall inflation, while the median income for renter households rose by just 1% and median income for all households declined by 4% (U.S. Census Bureau, 2017). Demand for rental housing will likely continue to rise. Researchers at the Joint Center for Housing Studies at Harvard predict an additional 4.7 million renter households by 2025 from household growth, even if homeownership rates stabilize." (NLIHC Out of Reach 2017)

The challenge is to embrace public policies and encourage changes in development trends to ensure that Collier County has a diverse, affordable housing stock that reflects the needs of our current and future population with regard to type, tenure, cost, location, safety, and accessibility.



In addition, according to NLIHC, the Florida Department of Economic Opportunity, and other agencies “Six of the seven occupations projected to add the greatest number of jobs by 2024 provide a median wage that is not sufficient to afford a modest one-bedroom rental home.” According to the Florida Department of Economic Opportunity, Bureau of Labor Market Statistics, in 2013, 80.5% of the jobs in Collier County paid less than 80% of the area median income. Three years later, in 2016 that increased to 87.7%.

As with other resort communities across the country, there is often a lack of housing that is affordable to rent or purchase for households who provide services in tourism, hospitality and to retirees. Housing that is affordable to households working and providing services to the community needs to become a part of the community’s infrastructure.

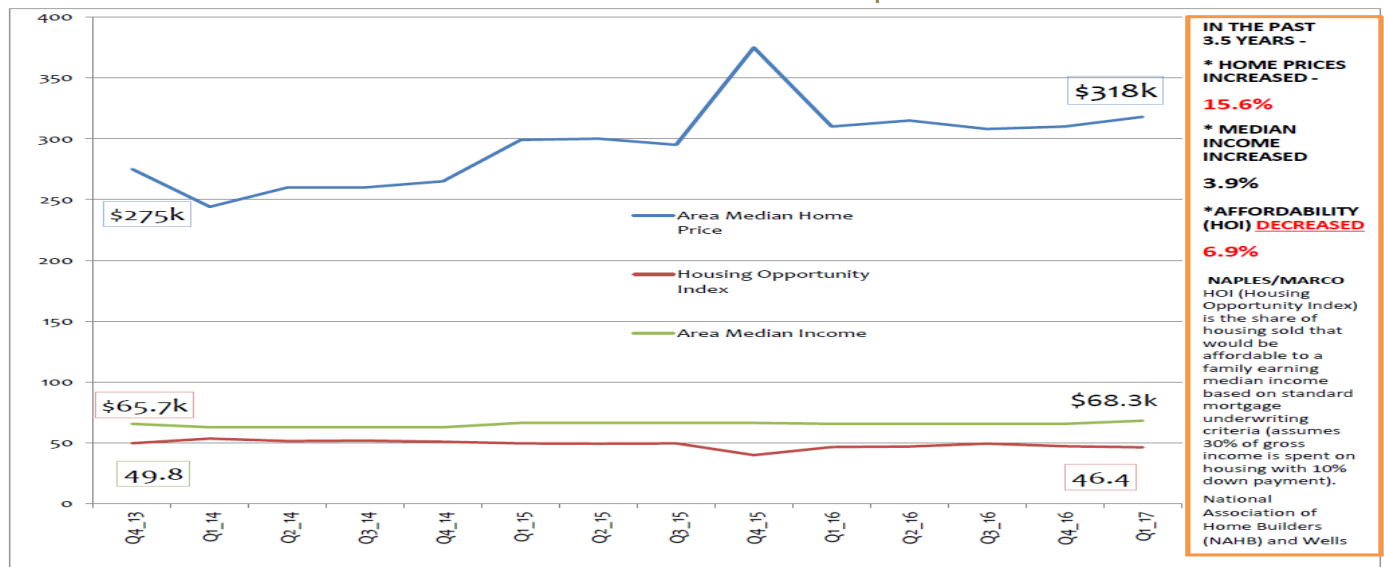
Housing affordability initiatives in other resort communities have been researched with successful programs identified as potential solutions for the Collier housing affordability challenges.

A key element of such initiatives is to educate residents and “change the narrative” to present affordable housing as a necessity and a shared public responsibility/part of the community’s infrastructure.

61.4% of the jobs in Collier County pay less than **\$33,250** per year.

Source: Florida Department of Economic Opportunity, Bureau of Labor Market Statistics, Quarterly Census of Employment and Wages Program (QCEW) in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Figure 7. Wells Fargo Housing Opportunity Index



(Source: Wells Fargo Housing Opportunity Index)

The existing housing stock of for sale homes are at prices very high relative to wage income levels, as shown in the above graph depicting data from the Wells Fargo Housing Opportunity Index. A Housing Opportunity Index (HOI) below 50 indicates an unhealthy housing to



affordability relationship. This chart shows the gap between wages and for sale housing prices over the past three and a half years.

ULI Recommendations

The ULI Panel Report (Exhibit B) provides major recommendations organized around six core strategies with 35 specific recommendations. The six core strategies for housing affordability are:

✓ Regulation & Governance	✓ Enhance Transportation Options
✓ Increase Supply	✓ Enhance Wages
✓ Maintain or Restore Existing Supply	✓ Communication and Engagement

The Board of County Commissioners provided direction to the staff and stakeholders to explore 27 of the specific recommendations in four categories as they develop the Community Housing Plan (CHP). The 27 recommendations reviewed by Stakeholders are shown below in green.

Figure 8. ULI Recommendations

Regulation and Governance	Increase, Maintain, or Restore Supply	Enhance Transportation Options	Increase Wages	Communication and Engagement
7 member BCC	Increase Density in AHDB program	Bus routes near aff. development	Government wages	YIMBY and Volunteer Projects
Simple Majority for AH Zoning	Incl. Zoning with flexibility options	Park and Ride System	Minimum wage	Directory of affordable housing for developers
Increase Density at Strategic Sites	Rental of guest houses / ADU	Bus Rapid transit or express routes		Myths and Facts Brochure
Increase Admin Approvals	Commercial by Transp, Jobs; Incr. density	Implement Pathways Plan		Marketing and Communication Plan
Expedite Permitting	Community Land Trust	Promote Ride Sharing Options		Hire Community Outreach Coord
Reduce regs to reduce cost	Use Publicly owned land	Secure revenue source for transit		Streamline application process
Adopt SMART code (LDC)	Reduce or waive impact fees			Directory of affordable housing for consumers
Reinstate Housing Trust Fund				Dev Housing Education Program
Dedicated Funding Source				Housing Resources Guide
				Hire Housing Counselor
				Community Vision

IT IS THE OPINION OF THE PANEL that Collier County absolutely has a housing affordability problem. It is not a crisis yet, but if housing is not addressed, the panel believes that it will become a crisis. Given the growth projections for the county, the panel believes this problem will occur far sooner than expected. – ULI Report, pg. 37



Vision for the Future: All residents of Collier County have a diverse range of attainable housing options. (Housing Stakeholders Group, July 2017)

Creating a Shared Language --- What is Housing Affordability?

In an effort to develop a common understanding, we must have a shared language of standardized terms. Throughout the CHP the following terms will be utilized to describe the concept of “What is” and “Who needs” housing that is affordable. The goal is to move away from the term affordable housing in order to reframe the perception that housing affordability is only for very low income households, or even those with no income. Therefore, it has been determined that we will refer to our goal as meeting the housing affordability needs of the community. However, for purposes of definitions, and to utilize the standard nomenclature the term affordable housing will be used; but what is really being talked about is housing affordability.

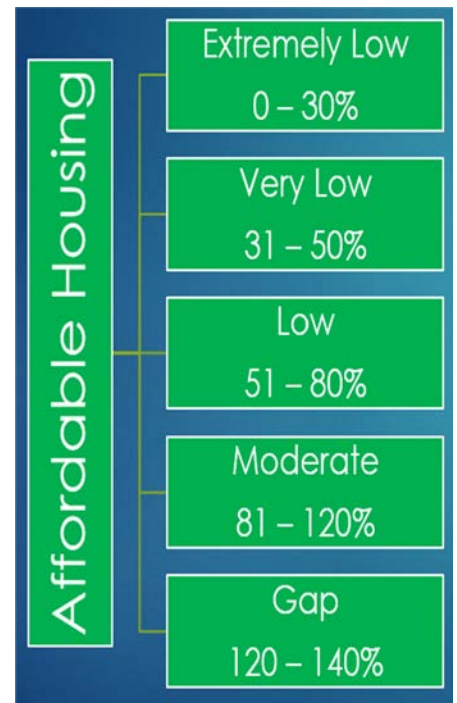
Affordable Housing - Housing is affordable to a household when a residential dwelling unit with monthly rent or monthly mortgage payment, including property taxes and insurance, is not in excess of 30 percent of that amount which represents the percentage of the median annual gross income for the household.

In Collier County, affordable housing specifically includes the following income level targets for the area, and are based on income categories determined by the Secretary of the U.S. Department of Housing and Urban Development:

- (a) "Extremely low income" means households whose incomes do not exceed 30 percent of the median income.
- (b) "Very low income" means households whose incomes do not exceed 50 percent of the median income
- (c) "Low income" means households whose incomes are more than 50 percent but do not exceed 80 percent of the median income
- (d) Moderate income" means households whose incomes are more than 80 percent but do not exceed 120 percent of the median income
- (e) “Gap income” means households whose incomes are more than 120 percent but do not exceed 140 percent of the median income

Approved Affordable Housing shall mean Affordable Housing that includes a long-term affordability restriction wherein the cost of housing and income of the household are known and monitored, for a specific period of time.

Vision for the Future: All residents of Collier County have a diverse range of attainable housing options. - Housing Stakeholders Group, July 2017





Category Name	Percentage Category	Income Limit by Number of Persons				
		1	2	3	4	5
Extremely Low	30%	\$14,640	\$16,740	\$18,840	\$20,910	\$22,590
Very Low	50%	\$24,400	\$27,900	\$31,400	\$34,850	\$37,650
Low	80%	\$39,040	\$44,640	\$50,240	\$55,760	\$60,240
Moderate	120%	\$58,560	\$66,960	\$75,360	\$83,640	\$90,360
Gap	140%	\$70,272	\$80,352	\$90,432	\$100,368	\$108,432

Category Name	Percentage Category	Rent Limit by Number of Bedrooms (incl. utilities)				
		Efficiency	1	2	3	4
Extremely Low	30%	\$366	\$392	\$471	\$543	\$606
Very Low	50%	\$610	\$653	\$785	\$906	\$1,011
Low	80%	\$976	\$1,046	\$1,256	\$1,450	\$1,618
Moderate	120%	\$1,464	\$1,569	\$1,884	\$2,175	\$2,427
Gap	140%	\$1,830	\$1,883	\$2,261	\$2,610	\$2,912

Category Name	Percentage Category	Typical purchasing power for household size (3xIncome)			
		1	2	3	4
Extremely Low	30%	\$43,920	\$50,220	\$56,520	\$62,730
Very Low	50%	\$73,200	\$83,700	\$94,200	\$104,550
Low	80%	\$117,120	\$133,920	\$150,720	\$167,280
Moderate	120%	\$175,680	\$200,880	\$226,080	\$250,920
Gap	140%	\$210,816	\$241,056	\$271,296	\$301,104

Community Land Trust (CLT) - a vehicle to separate land from homes for the purpose of transferring title to a home without selling the land. The land remains with a nonprofit that holds title to the land and manages the ground leases. The homes can be sold to other income qualified buyers during a 99-year ground lease. A CLT is typically managed by a non-profit that provides permanently affordable housing units by acquiring land and removing it from the price of the home.

Cost Burdened – households that pay more than 30 percent of their gross income on housing costs, which includes mortgage principal, interest, property tax, and homeowner’s insurance (PITI), or rent and utilities.



Housing Trust Fund (HTF) – is established to collect and disburse funds for the creation of affordable housing, including purchasing land. Locally collected funds dispersed using local guidelines and requirements

Linkage Fees – a fee charged to non-residential development based upon the employment demand and affordable housing need created by new or re-development. Linkage Fees collected are placed in a Housing Trust Fund (HTF).

Mixed-Income Housing – includes diverse types of housing units, such as apartments, town homes, and/or single-family homes for people with a range of income levels. Mixed-income housing includes both market rate and below market rate as determined by the needs of the local community. Collier County is proposing development of mixed-income communities targeted at low, moderate, and gap incomes along with market rate housing.

Seniors and Special Needs- households that include persons that are elderly, disabled, at risk of being or are homeless, and/or have extremely low incomes. These special needs populations may include more specifically defined subgroups such as youth aging out of foster care, survivors of domestic violence, persons with severe and persistent mental illness, or persons with developmental disabilities.

Severely Cost Burdened – households that pay more than 50 percent of their gross income on housing cost - mortgage principal, interest, taxes and insurance (PITI), or rent and utilities.

Unrestricted Market Rate Housing – means dwelling units that are unrestricted for affordability, yet are valued on the open market at a given time with a fair market value making them potentially attainable to households with yearly incomes less than 140%AMI. In this category, there is no knowledge of whether the general affordable housing definition has been met, meaning the household income of the persons in the dwelling units and their actual housing costs are unknown.



Collier County Housing Demand Model---What is the Housing Need?

The Board of County Commissioners adopted a Housing Demand Methodology in 2015 that identified the need for additional housing units based upon projected population growth by income categories. This 2015 demand model only addressed future housing demand. The 2017 Housing Demand Model (HDM) has been modified to add information on the current supply and current shortfall of housing, as well as the number of cost burdened households, resulting in a projected total affordable housing units needed per year by various targeted categories.

With an estimated 40% of the county population being cost burdened according to the Shimberg Center at University of Florida, reducing this percentage of cost burdened families by just a few percentage points would bring Collier County more in line with other communities' cost burdened percentage.

Collier County is ranked 12th highest in Florida for the number of households that are cost burdened. In looking at other Florida communities, many counties have between 36%-39% of their population being housing cost burdened. Collier County should consider efforts to reduce its cost burdened population by at least 3-5% in the coming years to be competitive with peer counties.

Figure 9. Sample Cost-Burdened Counties

State Rank	County	Households	# Cost Burdened	% Cost Burdened
2	Monroe	33,658	16,635	49.4%
6	Palm Beach	574,690	256,971	44.7%
7	St. Lucie	113,981	49,982	43.9%
10	Sarasota	181,668	76,613	42.2%
12	Collier	143,771	57,601	40.1%
14	Volusia	217,830	86,902	39.9%
16	Flagler	41,710	16,562	39.7%
17	Lee	268,614	104,709	39.0%
18	Pinellas	434,206	168,988	38.9%
19	Indian River	63,373	24,403	38.5%
20	Manatee	149,999	57,122	38.1%
24	Charlotte	77,358	28,173	36.4%
37	Hendry	11,916	4,039	33.9%
61	Glades	4,595	1,234	26.9%

Southwest Florida 5-county region in **green**; All adjacent counties lower cost burdened
 Similar coastal communities in **orange**



57,601 Households are cost burdened in Collier County – of which **29,342** are severely cost burdened (spending more than 50% of their income on housing)



Collier County individuals or families that are cost burdened (more than 30%) or severely cost burden (more than 50%) have less income to spend on other necessities including food, health care, school supplies, and transportation costs.

Using the updated 2017 Housing Demand Methodology shows a need for housing that is affordable at a variety of income levels in Collier County.

Figure 10. Housing Demand Model

The Housing demand model shows a need for **1,665 units** at various income levels.

Collier County Housing Demand Model - Sept 1, 2017

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Unit Type	Income Target	Household Income Level	Household Income in Dollars (3-person household)	Max Rent/Purchase price 2017 (HUD)	Existing Housing Inventory (Aug 2017)	2018 Restricted Approved Affordable	Cost Burdened Households (2015) 40% of all Households	Population Growth Demand 2017	Units Needed in Order to Lower Cost Burdened by 1%	Total Units Needed per Year	Available Units Purchase (Aug 2017)	Available Units Rental (July 2017)	Remaining Units Needed (yearly)	Resources Available	Funding Available
Rental	Extremely Low	Less than 30%	\$18,840	\$471	-	150	12,106	233	303	536	0	0	536	SHIP, CDBG, HOME, ESG	\$250,000
Rental	Very Low	31%-50%	\$31,400	\$785	-	1,411	11,465	263	287	550	0	0	550	SHIP, CDBG, HOME, ESG	\$1,500,000
Owner/Rental	Low	51%-80%	\$50,240	\$1256/<\$115,000	12,052	4,285	14,078	413	352	765	206	27	532	SHIP, CDBG, HOME	\$2,100,000
Owner	Moderate	81%-120%	\$75,360	\$200,000	43,335	-	9,723	464	243	707	500	160	47	SHIP	\$600,000
Owner	Gap	121%-140%	\$90,432	\$250,000	22,740	-	10,195	444	254	698	617	312	n/a	n/a	n/a
		Total			78,127	5,846	57,567	1,817	1,439	3,256	1,323	499	1,665		\$4,450,000

Sources/ Notes:

1. NABOR (Naples) and MIAAOR (Marco) Collier County Inventory levels collected from July 10, 2017
2. University of Florida Shimberg Center for Affordable Housing- Florida Housing Data Clearinghouse
3. To determine the current population needs and future populations needs, the FL Dept of Labor, Occupation Report from 2016 was used which includes jobs located in Collier County
4. Collier County Property Appraiser
5. Includes Manufactured Homes1. (column #11)- NABOR (Naples) and MIAAOR (Marco) Collier County Inventory levels collected from August, 2017; note NABOR does not include private sales not approved for sale on the MLS
6. 2. (column #7)- University of Florida Shimberg Center for Affordable Housing- Florida Housing Data Clearinghouse
7. (column #8)- To determine the current population needs and future populations needs, University of Florida Shimberg Center for Affordable Housing- Florida Housing Data Clearinghouse
8. (column #5)- Collier County Property Appraiser
9. Note: There are 8,514 mobile home units in Collier County, of which 2,076 are located in District 5 (which includes Immokalee). A survey of mobile home parks has determined that the majority of mobile home units in Immokalee are utilized as migrant farm-worker housing, and many other mobile homes in the urban area of the county are located in age restricted, 55 and over communities. While the number of mobile homes in Collier County is significant, in total they make up less than 4% of the County's total housing stock and they are encumbered by other restrictions that preclude them from serving as housing options for the greater population.



Housing Recommendations

The Stakeholders Group—How Do We Address the Housing Need?

With the release of the final ULI Advisory Services Panel Report Collier County, Florida January 29-February 3, 2017 in June 2017 (Exhibit B), the Housing Stakeholders Group, the Affordable Housing Advisory Committee (AHAC), and staff have developed a long term, comprehensive Community Housing Plan with specific recommendations to the BCC and the community to address the growing housing affordability crisis that has been impacting the community for years.

The Stakeholders formed five subcommittees to begin to gather data on the issues and identify tools and methods to address the identified strategies. Stakeholder Group Subcommittees:

- Density and Certainty**
- Stable Funding Sources**
- Community Land Trust & Public Lands**
- Transportation Enhancements**
- Communication & Outreach**

The Stakeholders recommendations to the Board of County Commissioners follow on the next sections.

Stakeholder Focus

Density and Certainty

Stable Funding Sources

Community Land Trust & Public Lands

Transportation Enhancements

Communication & Outreach



Density and Certainty

This subcommittee focused on bringing **certainty to the development process and increasing density**. This subcommittee's recommendations include:

1. Identify "Strategic Opportunity Sites" for Higher Densities

A. Require Activity Centers to include residential development- When originally enacted in Collier County's Code, Activity Centers were designed to include a mix of uses including residential development at higher densities as well as intense commercial and office uses. This would have several benefits including providing housing opportunities in/near commercial job centers and developing residential properties at higher densities providing diversity in the residential development pattern of Collier County. These residential units would not be restricted or monitored for affordability, but rather would serve to provide a diverse supply of housing types and options.

The requirement that activity centers include residential uses in their development was removed from Collier's Code decades ago. As a result, all activities center development to date has been focused exclusively on commercial centers; residential development around activity centers has maintained Collier County's low density/gated community characteristics and the workforce needed for those job centers must commute from further away causing congestion on our roadway system.

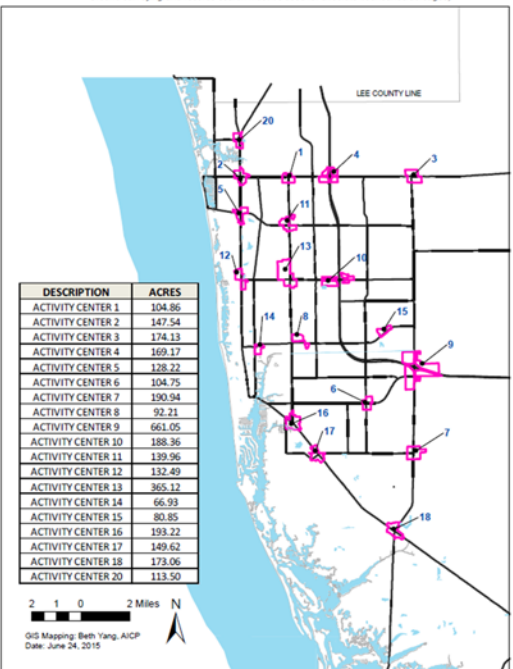
It is recommended that Collier County again require a residential component be included in the development or re-development of any exiting or newly created activity centers.

B. Allow Higher Densities in Activity Centers & Strategic Opportunity Sites above the current limits (i.e. 20-25 units/acre)- According to the ULI Report, "density is key" to providing housing that is affordable. The ULI suggested densities in the 30-35 units per acre range.

Collier County's historic development pattern has led to extremely low density development that sprawls outward from the coast and from commercial centers. Although extremely rarely used or approved, if ever, density in Collier County is capped in the Comprehensive Plan to 16 units to the acre maximum. Density above this maximum can create opportunities for housing that is affordable to be developed.

MIXED USE & INTERCHANGE ACTIVITY CENTER ACREAGE

(Disclaimer: The information provided is to be used for general mapping purposes only. Ground surveying and records search must be used for absolute boundaries/acreages)



It is recommended that Collier County initiate a process to amend its comprehensive plan to allow for the maximum residential density to be increased to 20-25 units per acre at certain Strategic Opportunity Sites.

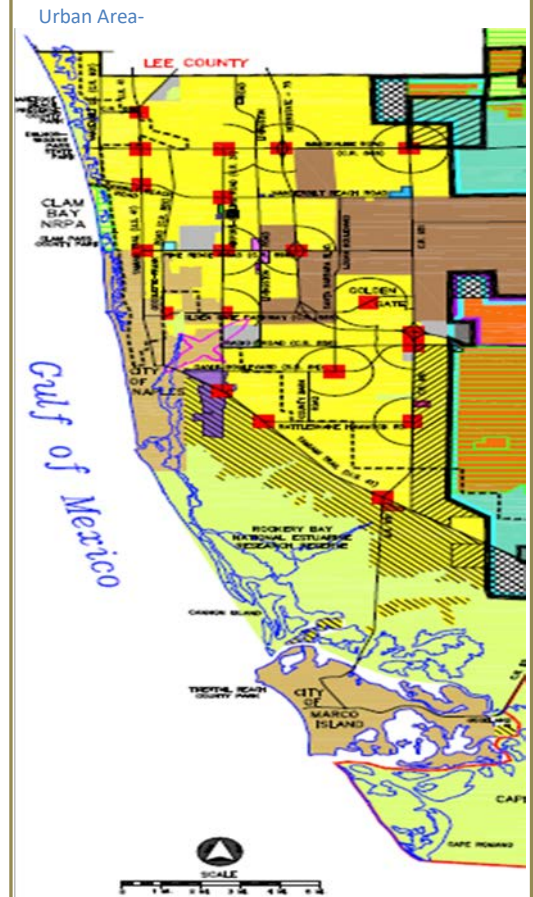
Strategic Opportunity Sites will be identified by the Board based upon recommendations from Growth Management through the land use review process. These sites may build on the existing activity centers concept and be expanded to include new corporate headquarter sites or industrial areas, or major transportation corridors, in the urban area, eastern Collier, Immokalee and other appropriate locations. Housing that is affordable in Strategic opportunity sites could be designated for Essential Services Personnel (teachers, first responders, health care professionals, etc.).

2. Modify the existing Affordable Housing Density Bonus (AHDB) program to allow higher densities from 8 to 12 units per acre (See attached proposed amendment to the AHDB in the Appendix Exhibit C & C.1)

The existing Affordable Housing Density Bonus program allows for a density bonus of up to 8 additional units per acre on top of a site's base density. These bonuses, which have a land use restriction of 15 years, are available only in the County's Urban Area, where development is encouraged. In Collier County, the base density in the urban area is 4 units per acre, with several large areas further limited to only 3 units per acre as a base density. Applying the maximum Affordable Housing Density Bonus program to these sites allows the density on those sites to only be increased to 11 or 12 units per acre. This is below the County's maximum allowed density cap of 16 units per acre.

It is recommended that the existing Affordable Housing Density Bonus Program be amended to allow up to a 12 unit per acre bonus, thus allowing development of housing that is affordable to be built up to the county's maximum allowable density of up to 16 units per acre. It is also recommended to extend the AHDB on rental communities to 30 years.

3. Implement Mixed Income Housing Ordinance with local flexibility options (See attached draft ordinance in the Appendix Exhibit D & D.1)
Policy 1.9 of the Housing Element of the Collier County Comprehensive Plan specifically tasks the County, to explore the development of a fair share affordable housing ordinance that shall require commercial and residential developments to address the lack of affordable housing.



To address this task and the housing affordability issue in Collier County, it is recommended that the county adopt and implement a locally designed and controlled Mixed Income Housing Ordinance.

The proposed Mixed Income Housing Ordinance will require new residential development seeking approval by the Board of County Commissioners to address housing affordability. Developers have several options as to how to meet this requirement including 1) accepting a 30% density bonus and including the mixed income units onsite, 2) providing the mixed income units off site, 3) partnering with another entity to provide the mixed income units, 4) paying a fee in-lieu of providing the mixed income units, or 5) approval by the Board of County Commissioners of some other option to comply with the mixed income housing ordinance with a commensurate result.

The proposed Mixed Income Housing Ordinance allows for a 30% density bonus (including bonus/additional market rate units) in exchange for providing 15% of the residential units as Mixed Income Housing. The mixed income units will be 5% at Low Income, 5% Moderate Income, and 5% Gap income. Ten percent of those mixed income units will be made available to seniors and special needs households. It is anticipated that this ordinance will create approximately 180 new units that are affordable each year at varying income level targets (including units for seniors and those with special needs). These units will be deed restricted and monitored to remain affordable for a specific period of time. Implementation of a mixed income housing ordinance would help ensure equitable distribution of housing that is affordable throughout all areas of the county.

As stated, developers may choose to pay fees in lieu of developing the required affordable housing on site. In-lieu fees that are permitted within the mixed income housing ordinance are not intended to provide a revenue source for affordable housing. The fee in lieu is established at \$127,000 per unit and calculated as the difference between the combined single-family and multi-family median sales price (\$327,000- NABOR July 2017, Exhibit D.1) and that amount that is affordable to a household at the Moderate income level (\$200,000). Funds which may be collected if a developer chooses this option would be deposited into the local affordable housing trust fund. This supports the primary goal and objective of the Housing Element, which is to provide new affordable housing units in order to meet the current and future housing needs of residents with very-low, low, moderate and gap incomes, including seniors and households with special needs such as rural and farmworker housing in rural Collier County. An exception to the Mixed Income Housing Ordinance is Towns and Villages developing under the Rural Lands Stewardship Area (RLSA) overlay.



PROPOSED

2.06.03 - AHDB Rating System

Table A. Affordable-Workforce-Gap Housing Density Bonus (Additional Available Dwelling Units Per Gross Acre)

Maximum Allowable Density Bonus by Percent of Development Designated as Affordable-Workforce-Gap Housing											
Product	Household Income (% median)	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
Gap	121—140% MI* **	n/a	2	3	4	5	6	7	8	9	n/a
Moderate	81—120% MI*	n/a	4	5	6	7	8	9	10	11	12
Low	51—80% MI	n/a	6	7	8	9	10	11	12	12	12
Very Low	50% or less MI	n/a	8	9	10	11	12	12	12	12	12

*Owner-occupied only
 **May only be used in conjunction with at least 10% at or below 80% MI

Total Allowable Density = Base Density + Affordable-Workforce-Gap Housing Density Bonus

In no event shall the maximum gross density allowed exceed 16 units per acre.

B. The AHDB shall be available to a development only to the extent that it otherwise complies and is consistent with the GMP and the land development regulations, including the procedures, requirements, conditions, and criteria for "PUDs" and rezonings, where applicable.

C. The minimum number of affordable housing units that shall be provided in a development pursuant to this section shall be ten (10) affordable housing units.

D. The ratio of number of bedrooms per affordable housing unit shall in general be equal to the ratio of the number of bedrooms per residential unit for the entire development.



Communities in the RLSA will have their own housing affordability requirements.

Figure 11. PUD Residential Approvals 2007-2017

PUD UNIT APPROVALS	Example				
	Mixed Income Housing Requirements/Units				
YEAR	PUD Units Approved	5%	10%	15%	20%
2007	3,271	164	327	491	654
2008	1,515	76	152	227	303
2009	548	27	55	82	110
2010	0	0	0	0	0
2011	2,080	104	208	312	416
2012	523	26	52	78	105
2013	145	7	15	22	29
2014	3,366	168	337	505	673
2015	325	16	33	49	65
2016	267	13	27	40	53
2017 (1/2 yr)	610	31	61	92	122
2017 (Projected)	1,220	61	122	183	244
2007-2017 (Projected) Total	13,260	663	1,326	1,989	2,652

4. Establish or Increase Administrative Approvals

A. Allow commercial conversion near targeted transportation and job centers at high density; using SDP approval only- Collier County currently allows the conversion of commercial sites to residential through a re-zoning process. Commercial zoning may be converted to residential at 16 units per acre. This process is rarely used due to the requirement that the site go through a full re-zoning process including public hearings.

Downzoning a site from commercial zoning reduces the intensity of uses allowed on the site. As such the need for public vetting and approvals of such actions should be greatly mitigated.

It is recommended that for developments proposing to include housing that is affordable through a commercial to residential conversion be approved administratively through the SDP process.

B. Allow affordable housing densities by right- Currently the Affordable Housing Density Bonus Program is allowed to be applied as matter of right in the Immokalee area.

“Density is Key”
-ULI Panel



It is recommended that this provision be expanded to allow Affordable Housing Density Bonuses up to 4 units to the acre to be approved administratively throughout the urban area.

C. In Senior Living Facilities require any request above a .45 FAR to include 20% of the beds as affordable/Medicare.

D. Micro Housing – Create local development codes to suit small single family units. Study full impact and effects of allowing smaller units, including but not limited to LDC and GMP impacts, Impact Fee impacts, and future land use element impacts.

5. Expedite the Permitting and Approval Process; including zoning, LDC and GMP changes

A. The current Expedited Permitting Process for Affordable Housing (Fast-Track) prescribes a certain number of review days depending on the action required. Rejections are then sent back to the applicant and resubmitted to be reviewed and either rejected again or approved. This cycle can repeat itself 5 or 6 or more times. Each time adding months to the project approval. Create a concurrent and interactive review to clear discrepancies in one meeting.

It is recommended that the current Expedited Permitting Process be amended to include a concurrent and interactive review to clear discrepancies in one or two meetings between staff and applicants.

6. Allow cost-saving infrastructure changes - Case Study

Several regulatory changes were considered and evaluated as to the costs they add to a development, their need, and the potential cost savings if the regulations were eliminated. A Case Study of a recent single family development applied some of these changes in an attempt to find the “real world” value of making them. The chart below shows a sampling of what the elimination or amendment of some of these regulations can do to the construction cost of EACH home.



Figure 12. Cost saving regulatory relief

Proposed Changes	Cost Savings per Unit
Limit application to 1 round of reviews at Planning level	\$1,091
Limit application to 2 rounds of review by Engineering	\$545
Allow for administrative approval for projects meeting established thresholds	\$909
Allow for additional density for affordable projects by right, i.e. Market rate projects in urban area = 4 units/acre, mixed income = 7/units/acre	\$1,818
Require sidewalks on only one side of the street	\$223
Waive requirement for generator at lift station	\$2,364
Total Savings per Unit	\$6,950

By adopting some of these regulatory reliefs the cost of each home could be reduced by almost \$7000. According to the National Home Builder’s Association’s “Priced Out” report in 2016, every \$1000 added or subtracted to the price of a home in Collier County either allows 189 additional households to afford to purchase a median priced home, or puts that home out of their reach.

Applying that model to the \$7000 in construction cost savings has the potential to make approximately 1,325 home in Collier County affordable to buyers.

It is recommended that Collier County continue to explore and refine the list of regulatory relief items and present a full list to the Board for approval through the applicable LDC or GMP amendment cycles.

7. Amend the LDC to Adopt Smart Code

A smart code is a unified land development ordinance template for planning and urban design. A form-based unified land development ordinance designed to create walkable neighborhoods across the full spectrum of development, from the most rural to the most urban, incorporating a transect of character and intensity within each.

“Every \$1000 added or subtracted to the price of a home in Collier County either allows 189 additional households to afford to purchase a median priced home, or puts that home out of their reach.” – NHBA Priced Out Report



Example:

Figure 13. Smart Code Neighborhood Transect Zones



Collier County currently implements a version of a smart code by using various elements of our Comprehensive Planning Process. The county is currently undertaking the re-study of four major elements of its comprehensive plan the results of which may move development to follow several elements of Smart Codes.

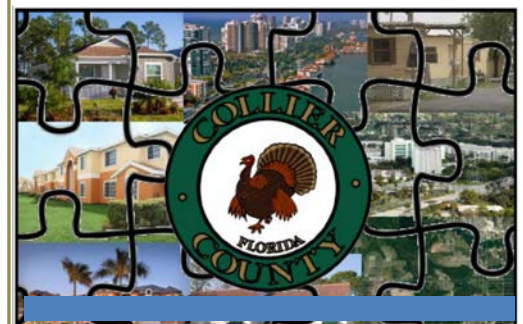
Recommendation: Continue to study via the 4 restudy efforts, how housing affordability in Collier County could benefit from using a Smart Code.

8. Impact Fee Deferral Program

Tindale Oliver recently conducted a study of Impact Fee Discount programs in counties and cities in Florida. The Tindale Oliver Impact Fee Discount report is attached as Exhibit E in the Appendix.

Based on this study, it is concluded that Collier County’s current Impact Fee Deferral Program is already very advanced in comparison to other jurisdictions. The Impact Fee Deferral program has been in place since 2001. Impact fees are deferred on units earmarked for owner-occupied or rental housing for families with incomes up to 120% of Median Area Income. (3-person household earning less than \$75,360 per year) However, further impact fee relief is consistently noted by the development community as a part of the remedy to achieve more housing that is affordable. Therefore, the following recommendations are made:

It is suggested that the current Collier program be “fine-tuned” as follows:



- ***Increase the deferral period for Rental Developments from 10 years to 30 years.***
- ***Forgive Owner-Occupied deferrals after 15 years***
- ***Increase households served to 140% of Median Income (Gap Housing)***
- ***Add capacity to the program by increasing the percentage of collections from 3%, to 4% or 5%, of total collections of county impact fees. Since the 2005 ordinance update, the Impact Fee Deferral program has been capped at three percent (3%) of the total annual impact collections which represents a de minimus amount of the total.***

Reinstating the Housing Trust Fund

Housing trust funds are established sources of funding for affordable housing construction and other related purposes created by governments in the United States (U.S.). The housing trust fund (HTF) is an example of a national best practice that Collier County currently has at its disposal but does not use. More than 700 HTFs exist nationwide, and they are often a critical element of a jurisdiction’s overall housing policy. One primary benefit of these instruments is the fact that there is local control over the allocation of the funds to match with the goals of the local jurisdiction.

By reinstating the Affordable Housing Trust Fund (Fund), all voluntary donations or other revenue generated for affordable housing shall be deposited into the Fund. The Fund shall be maintained in an interest-bearing account and any interest derived from deposits in the Fund shall follow and remain within the Fun. Monies in the Fund, including interest and recaptured monies, shall be disbursed according to the eligible uses set forth and as approved by the Board and administered by the Community and Human Services Division.

Awards from the Fund shall be made only at the discretion of the BCC. The Community and Human Services Division will act as the administrators of the fund and associated projects for the BCC. The AHAC will work with CHS staff to develop oversight protocols and specific eligibility criteria for BCC approval. (See Exhibits F, F.1 & F.2)



Figure 13. Proposed Uses of Housing Trust Fund

Programs	Developer	Consumer
Down Payment Assistance		X
Impact Fee Relief	X	X
Land Acquisition/Pre Development Funding	X	
Construction Loans	X	X
Community Land Trust – land acquisition	X	
Preserve existing affordable housing supply – For rehabilitating rental or owner occupied dwelling units	X	X
Rental assistance		X
Local contribution for tax credit or SAIL applications	X	
Disaster Recovery	X	X

Priority scoring, or additional funds will be awarded to those projects that are mixed income, in activity centers, or on major transit routes (in particular on CAT routes). Additionally, 10% of all funds are set aside to benefit seniors and/or persons with disabilities. Many of these programs currently have, or will have, land use restrictions ranging from 15 years to 99 years depending upon the funding source requirements. A local funding source will allow for projects to receive “layered subsidies”, or multiple levels of assistance.

The above list is not exhaustive, and the county commission by resolution may add or remove alternative affordable housing programs.

It is recommended that the County reinstate its Housing Trust Fund.

Stable Funding Sources

The subcommittee focused its efforts on a variety of tools and methods to identify funding sources that are targeted to address Collier County identified needs. This subcommittee’s recommendations include:

1. Collier County’s HTF should be sustainable and predictable, given the long planning process involved in housing development. The county should keep in mind that what can make an HTF challenging is finding



viable, stable, recurring revenue sources. Other jurisdictions have funded their trust funds through sales taxes, real estate transfer taxes, linkage fees as part of the zoning ordinance, mixed income housing in-lieu fees, condominium conversion fees or demolition fees, and hotel and motel taxes.

It is recommended to implement the following strategies to support the need for future housing that is affordable, and to the extent possible, address the existing backlog.

Figure 14. Recommended Funding Sources

Strategy	Potential Revenue
Include as a priority for lobbyists on staff or under contract with Collier County that the legislature appropriate all the Sadowski state and local housing trust funds for Florida’s housing programs.	\$2M Annually
Adopt a Linkage Fee for Non-Residential uses	\$1/SF = \$2M/yr (based on 2017 projection)
Adopt an in-lieu of fee or donation of land in lieu of constructing required workforce units under the mixed income housing requirement	\$127,000/unit = \$1,270,000/yr est.
Sale proceeds from donated or surplus land designated for affordable housing	Cannot assess
Develop philanthropy in the form of cash or land donations	Cannot assess
Continue with Tax Increment Financing (Bayshore CRA), and consider similar structures for other CRA’s	TBD for a new CRA
Public/Private Partnerships	Cannot assess
Community Foundation/ other non-profits	Cannot assess



Increase Funding from the Sadowski Act Fund

One of the most highly recommended HTF funding sources is a real estate documentary stamp tax. However, in Florida, with the Sadowski Act Funding, this is already in use and not available for funding the local HTF. Instead, these funds are awarded to each county in the form of State Housing Initiatives Partnership (SHIP) funds based on an approved annual allocation. It is common knowledge that in most years, the state legislature does not fully allocate this funding, instead diverting some of it to meet other needs.

The Local Housing Trust Fund already establishes a permanent source of local funding for affordable housing in Collier County, and is the single most effective source. However, legislation subjects this revenue to the appropriations process, which allows funds collected to be “swept” out of the trust fund and used for other purposes. For this reason, all of the revenue collected for affordable housing is not used for affordable housing. For example, of the \$292.37 million in revenue available under a fully-funded scenario, only \$137 million will be used for affordable housing programs. For Collier County, this means that of the \$3.3 million allocation if fully-funded, the County will only receive \$1.4 million. This is a significant shortfall in funding that otherwise would be and should be used to fund affordable housing.

Therefore, to increase the ability to use this already established source, it is recommend increasing advocacy for full appropriation of the Sadowski Act trust funds.

Non-Residential Linkage Fees

Linkage fees “link” other forms of development with a community's needs for affordable housing. Linkage fees are typically charged to developers and then spent on affordable housing preservation or production through existing housing programs. Linkage fee ordinances are one way to leverage private markets to produce affordable housing, fund homeownership programs, or preserve existing affordable rental housing.

Linkage fees help meet a housing need that may be produced when new development occurs. For instance, the development of an office or retail complex in an area will bring many employment opportunities to the area, including minimum wage jobs that may not pay enough so that a household can work and live in the same community – or even a nearby community that is connected to the workplace by affordable transit. Linkage fees, most



often charged to developers on a square foot basis, can then supplement an affordable housing funding program that targets certain areas.

Figure 15

NON-RESIDENTIAL PERMITS		Example		
		Linkage Fee Requirements/Revenue		
YEAR	Permitted SqFt	\$0.50/ft	\$1.00/ft	\$3.00/ft
2014	667,850	\$ 333,925	\$ 667,850	\$ 2,003,550
2015	1,647,162	\$ 823,581	\$ 1,647,162	\$ 4,941,486
2016	731,456	\$ 365,728	\$ 731,456	\$ 2,194,368
2017 (1/2yr)	958,352	\$ 479,176	\$ 958,352	\$ 2,875,056
2017 Projected	1,916,704	\$ 958,352	\$ 1,916,704	\$ 5,750,112
2014-2017 (Projected) Total	4,963,172	\$ 2,481,586	\$ 4,963,172	\$14,889,516

Proposed Non-Residential Linkage Fee Ordinance – (see draft ordinance in Appendix Exhibit G)

(A) **APPLICABILITY.** All new non-residential construction occurring within the unincorporated area of the County shall be subject to the Linkage Fee in this ordinance at the time of issuance of a Building Permit. This includes additions to and redevelopment of existing properties, and the commercial and industrial portions of planned unit and mixed-use developments. This excludes churches, government buildings, educational institutions and Towns and Villages in the Rural Lands Stewardship Area (RLSA) of eastern Collier County. Towns and villages will have their own housing affordability requirements in their overlay which will be determined by conducting an affordable housing needs assessment and providing the required housing within their community boundaries.

(B) **LINKAGE FEE AMOUNT.** All new commercial and industrial construction occurring within the unincorporated area of the County shall pay a Linkage Fee of \$ 1 per square foot, and in accordance with the following:

1. For phased developments, the Linkage Fee shall be computed only for the square feet of development covered by the specific Building Permit.
2. Any Person who, prior to the effective date of this ordinance, agreed in writing as a condition of development approval to pay fees related to the shortage of Affordable Housing shall be responsible for the payment of such fees under the terms of such



agreement, and the payment of such fees by the Person will be offset against any Linkage Fees otherwise due under this ordinance at later stages of the development activity for which the fee was paid.

Cities such as Jupiter, Winter Park and Coconut Creek have all implemented linkage fees in Florida. Commercial and high-end market rate residential development increase the need for employment of low wage workers who will be in need of affordable housing within the community. For example, in the San Francisco Bay area, one study shows that every high-tech job produces 4 other jobs across all income levels, including lower income jobs such as retail clerks and restaurant workers. A similar report shows that manufacturing jobs in Florida produce 2.5 additional jobs. High-end market rate residential development has a similar effect, in that residents of such development often demand services such as lawn care, maids, pool servicers and other lower-income jobs.

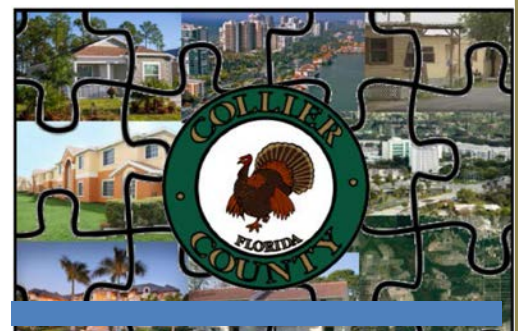
Linkage fees are upheld by both federal and state law¹. The legal basis of linkage fees is the two part Supreme Court test:

- The nexus between what the government wants the landowner to do and a legitimate state interest. Nollan v. California Coastal Commission, 483 U.S. 825 (1987); and
- The requirement on the private landowner must be related “in nature and extent to the impact of the proposed development.” Dolan v. City of Tigard, 512 U.S. 374

Linkage fees are generally charged on a per square foot basis. Rates in Florida vary from less than \$1 per square foot to upwards of \$35 per square foot. Linkage fees are set based on a balance between funding needed to meet a locality’s affordable needs and ensuring development remains financially feasible. A nexus study was completed for Collier County in 2006, which supports reasonable linkage fees ranging from \$0.72 per square foot for residential to \$43.46 per square foot for tourist properties. Fees are usually paid upfront at permitting. However, some localities allow payments to be made over time. Some also have allowable exceptions and exemptions for smaller developments or certain types of development. (Exhibit G)

The basic steps to establish a linkage fee include:

- **Nexus and Feasibility Studies** – in accordance with Nollan and Dolan, cities must first complete a nexus study to determine the actual impact of new development of various types on demand for



affordable housing as well as the maximum feasible fees development types can support in light of existing fees and other factors.

- **Implementation Plan** – determine how the fees will be used, who will administer the fees, timing and basis for adjustments to the fees, and any alternatives offered for paying the fees (including developers actually building the housing)
- **Adoption** – Draft and adopt the actual ordinance and regulations for the fee. The ordinance and regulations should be reviewed annually, and revised as economic conditions changed.

It is recommended that Collier County adopt a nominal linkage of \$1 per square foot of non-residential development (in line with other Florida jurisdictions). It is also recommended that Collier County complete a linkage fee nexus study to establish the legal basis for the fee.

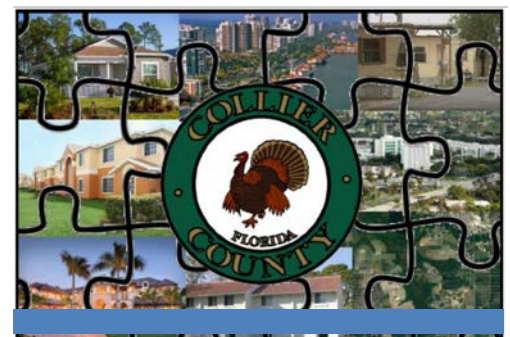
Mixed Income In-lieu of fees

Such fees are generally established by one of two methods:

- **Affordability Gap Method** – This method sets the fee based in the difference in purchase price or rent between market rate and what would be affordable to the target income level for the mixed income housing ordinance. For example, if the market or median home price is \$400,000, and the target affordable price is \$200,000, then the in-lieu fee would be \$200,000 per housing unit required under the ordinance.
- **Production Cost Method** – This method sets the fee based on the cost for the public to produce an affordable housing unit. For example, if it costs the public \$200,000 to produce a unit.

The method used is dependent upon the desired outcome. If the desire is to encourage developers to build the affordable housing, then the fee should be set high to serve a deterrent from utilizing the option. However, if the goal is to raise funds to support other programs, then the fee should be set lower so as not to deter utilization of the option. Other considerations would be application of the in-lieu fee i.e. should it be the same for each developer (should developers of homes costing in the millions pay the same rate as developers of lower-priced homes), or should it vary by location (should developers building in downtown or redevelopment sites, where it costs more to produce units, pay the same rate as developers in greenfield locations on the fringes).

We recommend use of the affordability gap method. The general policy goal of mixed income housing is to encourage the production of affordable housing within higher-income communities, so that the lower-income



households can live in the communities where they work. The higher fees through the affordability gap method would tend to encourage production on site. However, the in-lieu fees generated would provide the level of funding needed to assist lower income buyers purchase homes or rent in those higher-income communities.

- (A) The mixed income requirements of the Mixed Income Housing ordinance may be satisfied by paying a \$127,000/unit fee in lieu of developing the number of Units required. The fee for each unit is based on the affordability gap method.

The total fee collected will be the per-unit fee for each unit type (for-sale or rental) times the number of units required under the mixed income housing ordinance.

1. The fees collected from these payments shall be deposited into the County's Affordable Housing Trust Fund.
 2. The fee shall be paid prior to the issuance of the first building permit for the residential development.
 3. The method of determining the fee shall be reviewed periodically as necessary to ensure that the purposes and intent of this ordinance are met.
- (B) The Mixed Income Housing requirements of this ordinance may be satisfied by donating land within the County's boundaries in unincorporated areas in lieu of developing the number of mixed income units required by the Mixed Income Housing ordinance. The proposed land to be donated shall be subject to the determination by the Board of County Commissioners that it is:
1. Suitable for development;
 2. Equivalent in value to the applicable fee in lieu;
 3. The value of the land shall be determined by one appraisal commissioned by the County and paid for by the developer;
 4. The value of the land to be donated may alternatively be determined by relying on the purchase price of the land provided it has been the subject of a purchase by a bona fide purchaser for value within the past year;
 5. The conveyance of the land to the County or Community Land Trust selected to administer the Workforce Housing Program on behalf of the County shall occur no later than at the time of application for a building permit.
- (C) In no case will any cash or land donations be returned to the developer, once such transaction is completed.

It is recommended that Collier County accept Mixed Income Housing opt-out fees in the amount of \$127,000 for each required unit not produced



based on the “affordability gap” method (to be adjusted annually based on current data). (Exhibit D)

Sale proceeds from donated or surplus land designated for affordable housing

In 2006, the Florida Legislature enacted Section 125.379, Florida Statutes, wherein each county is tasked to triennially prepare an inventory list of all real property within its jurisdiction to which the county holds fee simple title that may be declared appropriate for use or sale for the benefit of affordable housing. The Board of County Commissioners must review the inventory list at a public hearing and revise it as they choose. Following the public hearing, the governing body must adopt a resolution that includes an inventory list of such property.

The Statute provides possible options for appropriate usage of this property to benefit affordable housing. The property may be offered for sale and the proceeds, above any amounts reimbursed to County funds, are available for eligible uses. The land, or the proceeds from sale, may be used for one of the following activities:

1. Purchase land for the development of affordable housing.
2. Increase the Housing Trust Fund earmarked for affordable housing.
3. Sell with the restriction that requires the purchaser to develop affordable housing.
4. Donate to a nonprofit housing organization for construction of permanent affordable housing.
5. Make the property available for use for the production and preservation of permanent affordable housing.

It is also viable that land may be donated to the County for purposes of housing that is affordable. If it is determined to sell that property, the proceeds would be added to the HTF.

It is recommended that any residual sale proceeds from surplus property also be added to the Housing Trust Fund.

Philanthropy in the form of cash or land donations

Collier County is an affluent community and consequently it is appropriate to consider philanthropy as a revenue mechanism, be it in the form of cash or land. Collier would accept cash donations into the HTF, and accept land donations into the Community Land Trust for use as affordable housing, or make donated lands available for sale, placing the proceeds into the HTF.



Collier would reserve the right to only accept lands that are unencumbered and appropriate for use in whole or in part for housing that is affordable. Collier would need to develop appropriate legal mechanisms and a method for creating documentation required by donors for tax purposes.

It is recommended that that any cash or land donations for housing that is affordable be accepted by the county.

Continue with Tax Increment Financing (Bayshore CRA), and consider similar structures for other CRA's

The Bayshore/Gateway Redevelopment Agency (CRA) was created by the Collier County Board of County Commissioners on March 14, 2000 by Resolution 2000-82. The total area comprises approximately 1,800 acres with a wide range of residential and commercial properties. Funding for the CRA comes from Tax Increment Finance (TIF). TIF is a portion of the property taxes generated above what was received by the County prior to the CRA being established and does not result in any additional tax to the resident. Bayshore/Gateway Redevelopment Plan was approved on June 13, 2000 by Resolution 2000-181 to address deteriorating physical and economic conditions then prevailing within Bayshore/Gateway Triangle area. This approach for raising revenue for housing that is affordable could use with other CRA's.

It is recommended that the County continue using CRA funds to correct deteriorating physical and economic conditions, including housing affordability issues, and adopt a TIF for any future new CRAs.

Backlog

There exists not only the need for future development of housing that is affordable, but also a need to alleviate an existing backlog of demand. Local property tax revenue can be used as a permanent source of funding for affordable housing. In most cases nationwide, property tax revenue for affordable housing is raised by an affordable housing levy. A successful example is the Seattle Affordable Housing Levy, which has raised over \$388 million since its first approval in 1981. The most recent re-approval in 2016, which was approved by 68% of the vote, stands to raise as much as \$290 million over the next seven years. However, levies are an additional tax subject to renewal by voters.



Figure 16. Additional Revenue Sources

Strategy	Potential Revenue
Include use of funds for affordable housing with potential Sales Tax referendum/program with funds allocated to a Housing Trust Fund annually.	Undetermined
Establish a certain percentage or dollar amount from ad valorem taxes to be allocated to a Housing Trust Fund annually.	Undetermined

It is recommended that, if the Board of County Commissioners desires to make a more profound impact on the back-log of housing affordability issues, to move forward with one or both of the funding sources identified in Figure 16 above. Funds allocated from the General Fund should be provided on a one-to-one match for funding collected through the non-residential linkage fee. These sources would serve to spread the response to housing affordability throughout the County, and not only on new development.

Additional Housing Programs and Initiatives

The County may provide funding for housing rehabilitation/sustainability assistance, preservation, homeownership assistance, rental assistance, and special needs housing opportunities for low to moderate income households. The County will utilize Federal, State, and local funding sources to conduct activities associated with all housing and programs and initiatives. The rules and regulations associated with each Federal, State, and local funding sources will govern the use of such funds and shall be in accordance, where appropriate, with the following documents:

- *Consolidated Plan and Annual Action Plan (CDBG, HOME, ESG);*
- *Local Housing Assistance Plan (SHIP); and*
- *Applicable Federal, State and Local Policy and Procedures Manual*

All planning and policy documents will be made available on the County’s website and at the offices of the Community and Human Services Division. The availability of funds for the programs will be advertised in a newspaper of general circulation within the County or Request for Proposals issued by the County.

Current County programs fall under these primary categories: Homeownership, Rental Housing, Special Needs Housing, Housing Sustainability, Fair Housing and Accessibility. Many of these programs have



a lien and/or land use restriction ranging from 15 years to 30 years in accordance with each programs guidelines and funding source requirements.

A. **Homeownership programs** may include down payment assistance in the form of first or second mortgages, grants, sale of County owned property, donation of County owned property to eligible non-profits including CHDOs, financing to non-profit and for-profit developers for the construction of owner occupied units, and construction of single family homes.

The County will also maintain programs that preserve homeownership including providing funding for the rehabilitation of owner occupied housing, promoting housing counseling and homeownership reservation initiatives.

B. **Rental Housing** - Affordable rental assistance programs may include tenant based assistance, facility/project based assistance, security deposit and short-term rental assistance, financing to non-profit and for-profit developers for the construction of affordable rentals, donation of County owned property to eligible non-profits including CHDOs, and grants for new construction of affordable rental housing units.

SHIP funds can be used to meet the SAIL local contribution requirement

C. **Special Needs Housing** - The Community and Human Services Division of the County will ensure that all housing programs funded by the County include set-asides or priorities for special needs populations. Special needs populations include the homeless, veterans with a service connected disability, developmentally and physically disabled, and children aging out of foster care. Priority or set-aside may include units that serve specific special needs populations through access to support services and/or unit features that ensure accessibility.

D. **Housing Sustainability** - The Community and Human Services Division will insure that funding priority and consideration will be given to housing construction projects that include “green” or sustainable features such as solar panels, rain water capture and storage, tank-less water heaters, high efficiently insulation and architectural features that enhance energy savings. Projects where a portion or all of the units are designated as smoke free will also be given priority consideration for funding.

E. **Fair Housing/ Accessibility** - Any entity or individual receiving housing assistance or incentives through the County’s housing programs must comply with Title VI of the Civil Rights Act of 1964, Section 109 of the Housing and Community Development Act of 1974, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of



EQUAL HOUSING
OPPORTUNITY



1990, the Age Discrimination Act of 1975, Title IX of the Education Amendments Act of 1972, and the Architectural Barriers Act of 1968 when applicable.

No entity or individual that receives housing assistance from Collier County may discriminate or deny access to housing on the basis of sexual orientation or gender identity.

F. **Disaster Housing Recovery** – Historically, funding has been allocated to Collier County by the State and Federal governments in response to declared disasters. Collier County was awarded over \$14 million in state and federal disaster funding for Hurricane Wilma. This funding was expended for the course of seven years following to repair and replace housing units destroyed by the storm. It is anticipated that Collier County will received significant disaster funding as a result of Hurricane Irma.

Collier County also maintains a Disaster Housing Strategy that was approved by the BCC in July of 2010. This strategy details specific actions, coordination, and responsibilities that are implements in post disaster housing recovery.

Figure 17. Chart of Existing Grant Resources

Resource	General Uses	Annual Revenue (Est)
HUD-CDBG	Infrastructure, land acquisition, purchase assistance	\$1.5M
HUD-HOME	Construction or rehab of units	\$350,000
FHFC-SHIP	Purchase assistance, rehab or new construction	\$1.5M

Community Land Trust and Public Lands

This Subcommittee recommends specific publicly owned properties to pursue for housing development and the creation of a Community Land Trust (CLT).

1. **Establish a dedicated land trust administered by a non-profit entity** (public-private partnership)
 - A. Accept donations of land in-lieu of the Mixed Income Housing requirement.
 - B. Hold land in perpetuity (99 yr land lease) for the development and preservation of affordable housing stock.



- C. Acquire land using in-lieu of fees or other stable funding sources (See attached Community Land Trust information in the Appendix)
 - D. Provide initial funding in the amount of \$100,000 for establishment and development of a new Community Land Trust in Collier County.
2. **Identify sources of land and process for incorporating parcels into the land trust**
 3. ***It is recommended that the BCC continue its current public policy whereby any property considered surplus land (without a designated use or which the designated use is no longer needed) must first be offered to any public entity for a use that is a public benefit. If there is more than one entity interested, the County evaluates and weights the level of importance and need of the agencies and allocates the land to the highest and greatest uses. If there are no interested parties, the parcel is sold through open bidding or included in a RFP for development.***
 4. ***It is recommended that the BCC adopt a new public policy that places priority on affordable housing in all future public land acquisitions and encourages the co-location of housing and public facilities.***

Community Land Trusts for Collier County

Under traditional homeownership subsidy programs, the subsidized home can be sold at the market appreciated sales price, with recapture of the original subsidy upon resale. Because of market appreciation, the recaptured subsidy is wholly inadequate for the local government to get another family into homeownership. The local government or other subsidy provider must then expend an even greater amount of subsidy to provide a homeownership opportunity to the next homebuyer. It is this massive drain on already depleted public resources which is driving local governments to increasingly explore the community land trust option.

Using a community land trust (CLT) is a way to stop losing ground both figuratively and literally. The nonprofit CLT retains ownership of the land to remove this subsidized housing from the speculative market so that the homes remain permanently affordable. The CLT approach results in permanent nonprofit ownership of the land, which is leased to lower-income households, who receive assistance to buy homes developed on the CLT land. The CLT transfers title of the house to an income qualified buyer but retains title of the underlying land. By excluding the price of the land (which in some parts of Florida, dwarfs the costs of the improvements), and arranging additional subsidies (such as SHIP) to assist the buyer's purchase of the house, the overall purchase price is made affordable and the monthly mortgage PITI payments are often more affordable than renting. CLTs also

Using a community land trust (CLT) is a way to stop losing ground both figuratively and literally.



provide an excellent source of rental housing, often time in single family homes, which are attractive to families with children or elderly parents.

In return for the significant subsidies required to develop this affordable homeownership opportunity, the CLT imposes resale restrictions on the improvements through the 99-year ground lease, which ensures that the property will remain affordable in perpetuity. The owner of a CLT home is required to sell to a similarly qualified buyer at a restricted price, determined by a resale formula found in the ground lease. The typical ground lease mandates a resale price based on the homeowner's down payment, plus the sum of principal payments made on the mortgage, and limits appreciation to one quarter of what appreciation would have been for the property if owned in fee simple. By dramatically limiting appreciation, CLT homes remain affordable to new homebuyers without the need for significant additional subsidies. (Exhibit H)

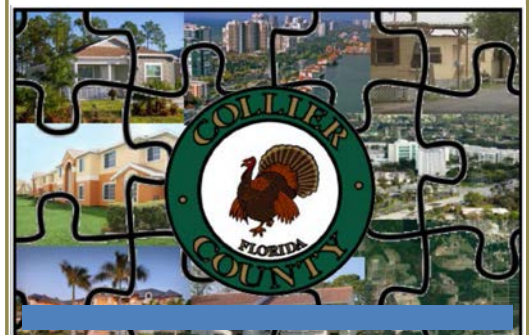
Governance and Operations

The typical community land trust board is made up of three groups in equal representation:

- Resident members – CLT homeowners
- General members – residents of the community that do not own CLT homes
- Public members – those who represent the public interest). Public members can include elected officials, municipal staff, and/or representatives from other local nonprofits.

Boards range in size from less than 10 to over 20. The size and makeup of the Board will depend upon the specific goals of the land trust and the makeup of the community. The size and election process of the Board will be included in the Bylaws.

In most cases, CLTs operate as independent organizations. In the early stage, staff may be comprised completely of volunteers. However, eventually paid staff will be needed to carry out the day-to-day functions of the CLT and implement the direction of the Board. Most nonprofit organizations start with either an Executive Director or Administrator. Starting with an Executive Director is to look for someone with long-term managerial skills or the potential to develop them. Starting with an Administrator usually calls for someone with more limited yet important organizational skills to carry on certain tasks and responsibilities for the short term until an Executive Director can be hired. Ultimately, a basic staff should include at least 3 individuals: an Executive Director to provide overall leadership and represent the organization in the community (including elected officials, other nonprofits, realtors, lenders, etc.), a Counselor/Educator who works directly with homebuyers and/or renters, and an Administrative Assistant to support the entire operation.



Community Land Trusts in Florida

Community land trusts began to emerge in Florida in the early 2000s in response to the housing boom and rapid rise in purchase prices at that time. There is no enabling legislation required for community land trusts. They are Florida nonprofit organizations, usually with section 501(c)(3) IRS tax exemption approval. However, community land trusts should employ the assistance of attorneys experienced in corporate and real estate law for both start up and operations.

Current Status

Community land trusts are now well-established in Florida. The table below summarizes the current state of several of the state’s community land trusts:

Figure 18. Land Trusts in Florida

Community Land Trust Name:	South Florida Community Land Trust	Neighborhood Renaissance, Inc.	Community Land Trust of Palm Beach County, Inc.
Year Founded	2006	2005	2006
Geographic Area served	Broward and Miami-Dade Counties	West Palm Beach	Palm Beach County
Number of Staff	4	6	2
Number of Ownership Units	8	13	29
Number of Rental Units	55	80	82
Anticipated Growth over next two years (through 2019)	At least 6 additional homeownership units	36 rental and 25 homeownership (deed restricted per local government program)	32 ownership units
Commercial property ownership and plans	None owned at this time, but considering co-working or office space for non-profits	None within the land trust	Owns a small commercial space within a rental community

Annual budgets for these CLTs range from around \$800,000 to \$1.6 million. Funding sources include local government grants (HOME funds), foundation grants, ground lease fees, bank grants and lines of credit, membership fees



and other charitable donations. It should be noted that of the three CLTs in the chart above, only one offers membership to the community and collects membership fees.

With the resurgence of the housing market, the second wave of CLTs is developing in various communities throughout the state. Some communities are looking at regional community land trusts. The South Florida Community Land Trust stands to serve as the model for a regional CLT, with its expansion from Broward into Miami-Dade County. Also, the South Florida Community Land Trust Network serves as a model for regional CLT consortiums, as member organizations throughout south Florida are able to leverage resources to grow their individual footprints, expecting to reach a combined 374 units by the end of 2017.

Recommendations for Collier County

- 1. A Community Land Trust in Collier County should be established to manage a proposed Mixed Income Housing Program established by ordinance, which includes mixed income and linkage fee requirements.***
- 2. All donations of land in-lieu under the program would go to the Community Land Trust to hold in perpetuity for the development and preservation of a stock of housing that is affordable.***
- 3. The Community Land Trust would also be responsible for monitoring compliance with the Mixed Income Housing Program ordinance, particularly adherence to restrictive covenants that require sale or lease of properties to income-eligible households at affordable prices.***
- 4. Additionally, the County may decide to deed any surplus land suitable for affordable housing development to the Community Land Trust.***
- 5. It is further recommended that the municipalities of the City of Naples and the City of Marco Island be encouraged to adopt similar initiatives or contribute themselves to the Community Land Trust.***

Public Lands Review

Numerous meetings have been conducted at both staff and committee levels to review publicly owned lands where housing might be developed or co-located with government uses. The initial list of thousands of properties was reviewed and analyzed with these top four (4) properties being recommended for housing development through a Request for Proposal (RFP) process. Additional analysis for each site is available in Appendix Exhibit I.



- A. **Bayshore CRA** 17+ acre parcel is currently out for development proposals. Proposals were received on August 31, 2017. A Selection committee & CRA Board will review and make recommendations to the Board.
- B. **Bembridge PUD** - Public Utilities has performed a feasibility study to relocate Master Pump Station 313 from Countryside to the 5 acre Bembridge site. Public Utilities has the funds to reimburse Impact Fees for the parcel. Countryside was the original proposed site for MPS 313 expansion but the residents were opposed so the Bembridge site was offered as an alternative. Impact fee funds would need to be paid to acquire the parcel for housing. The Bembridge site was previously the subject of a workforce housing RFP Competition and extensive planning and design efforts have already been completed for the site.
- C. **Randall Curve parcel** is over 47 acres and was deeded to the County for use as a public park and has a Statutory Deed. With the development of a regional park in the area this site is not needed for a park. Mixed use development may be proposed for the site, of which housing that is affordable may be one component.
- D. **Grey Oaks/Livingston Road** parcel is 21 acres along the west side of Livingston Road and a part of the Grey Oaks PUD. The 21 acres owned by the County would need to be removed from the Grey Oaks PUD to be developed for housing. The site is central to jobs and employment centers.

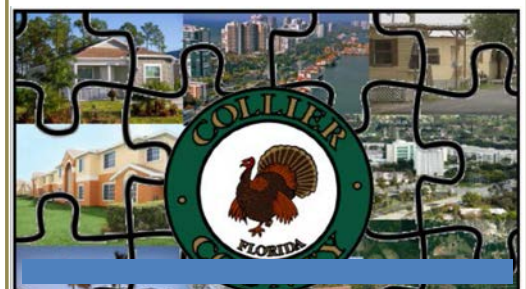
It is recommended that RFPs be developed for the construction of housing that is affordable on parcels B, C, & D above.

Transportation Enhancements

Transportation to and from employment centers in Collier, or outlying communities, puts a strain on the existing infrastructure based on the jobs-housing imbalance that exists in Southwest Florida.

Currently, the average headway (the average interval of time between buses pausing at a given stop on a route) in Collier County is 1.5 hours, with the shortest headway at 45 minutes. For transit riders dependent on a bus service to get to work or to other services, the infrequency of the service can make transportation and access an increased difficulty. For riders who might have multiple stops or transfers, those headways can change what would be a short car ride into an all-morning or all evening commute.

If directed effectively, however, the transit service can be an extraordinary asset for the Collier County workforce, potentially reducing the group's commute and car ownership costs. According to the Federal Highway



Administration (FHWA), the average American family spends 19 percent of its household budget on transportation.

For families that are in transit-efficient locations, this cost decreases to 9 percent; for those in auto-dependent communities, it increases to 25 percent. Thus, transportation costs can directly add or subtract substantial funds from families' household budgets, thereby increasing cost burdens or providing more flexibility in household budgets.

Recommendation #1: Integrate Bus Routes with Affordable Housing Locations

1. Activity: Identify transportation corridors for multi-family development to ensure such developments are supported by transit.
2. Activity: Implement park-and-ride systems throughout the County to incentivize use of public transit.
3. Activity: Explore bus rapid transit and express service lines to improved access to employment.

According to the Collier County MPO's 2014 Pedestrian and Bicycle Safety Study—a complementary report to the 2012 Comprehensive Pathways Plan—a survey of 478 respondents resulted in 62 percent reporting that they had felt “threatened for personal safety during bicycling or walking trips.” For Collier County to reduce transportation road costs, effectively move the workforce across the community, and create healthy avenues for residents to engage in civic activities, this number must be mitigated and the recommendations of both studies should be advanced. The Comprehensive Pathways Plan is being updated, with completion anticipated in mid-2018. The draft recommends aligning new pathways construction (bicycle and pedestrian facilities) with transit routes, stops and transfer centers and identifies bicycle/pedestrian Safety Focus Areas based on crash statistics. Steps toward enhancing the use of transit, bicycling, and walking for at least a portion of daily trips should be encouraged.

Recommendation #2: Enhance Bike Lane and Pedestrian Systems

1. Activity: Implement the Comprehensive Pathways Plan for the county.
2. Activity: Enhance safety focusing on pedestrian and cyclist and vulnerable road users.

With smart phone apps and online connectivity, fantastic and successful tools for ride sharing are available that can be conveniently and affordably accessed. The county should explore promoting such resources and working with nonprofits to promote convenient ride-sharing options for populations living in more suburban or remote areas, like the Estates, Ave Maria, or Immokalee. The New Orleans Regional Planning Commission sponsors one such rideshare platform, the New Orleans GreenRide, which uses a social media platform to connect riders and carpoolers.

“...the workforce of Collier County needs a range of transportation options that align with and support a range of housing choices in a variety of areas.” –ULI Panel Report



Recommendation #3: Ride Sharing Options for Enhanced Mobility

1. Activity: Transit staff is encouraged to coordinate with nonprofits and other groups to Create Ride-Sharing Option for remote areas of the County.

Collier Area Transit (CAT) is serving an increasingly vital need in the county as workforce demands intensify and traffic concerns grow. However, if the service is going to be able to keep up with the demands already placed on it, a critical element is that the service has a sustainable source of revenue it can leverage and depend on. Given the expenses of highways (\$4.6 million per lane mile), prioritizing proactive investments in transit today could save the county significant funds in the future. In addition, given the growing bike and pedestrian needs of the county and the multitude of community benefits that those amenities provide, a revenue source should also be identified and provided for such additional capacity

Recommendation #4: Revenue for Transit and Alternative Mobility

1. Activity: Establish Sustainable, Secure Revenue for Transit and Alternative Mobility.
2. Activity: Implement a Recurring Revenue Source for transit (i.e.: Mobility Fee; MSTU; etc.) to meet the operations demands.
3. Activity: Establish uniform standards to measure the impact of development on Transit;

Transit and other forms of alternative transportation are critical for many renters. Renters are more likely than other households to depend on transportation modes other than their own cars to reach work, shopping, and other activities. This is particularly true for seniors, the disabled and those with low incomes. Seven percent of Florida households have no vehicle at home. However, this number increases to 14 percent for renters and to 18 percent for renters with incomes between 30 and 60 percent of AMI. The share of no-vehicle households continues to increase for extremely low income renters, especially older households, until a majority of ELI (Extremely Low Income) renters over age 75 have no access to a vehicle at home.

As Collier County’s population continues to age there will be an increased need for affordable rental housing with access to transit, paratransit, and other forms of alternative transportation.

“Providing a more integrated network of mobility not only provides workforce access but also provides access to healthier lifestyles. In addition, with estimated road costs averaging 4.6 million per lane-mile, identifying proactive approaches that will reduce congestion and stress on roadways will save the county significant funds in the future.”

- ULI Panel Report (pg 29)



Communication and Outreach/Engagement

The Communication and Engagement subcommittee has made recommendations to help educate the community on the need for and importance of housing that is affordable to a wide range of individuals and families that live and work in Collier County. There is a need to continue to communicate the need for more rental apartment availability...it appears that point can't be stressed enough, particularly with millennial workforce.

Their recommendations are:

1. **Create an online, near-real-time updated Current Inventory of Affordable Housing Availability** (purchase and rental) along with links to Information & Resources, outlining all available programs.
2. **Recommend the County create an easy to find, one click "housing-focused" website** briefly explaining and connecting currently available housing resources. Recommend that if the Commissioners don't want to add staff that they contract with a 3rd party to keep up the website and provide a "human element" ("Housing Resource Specialist") that focuses every day on helping citizens find housing solutions and opportunities.
 - A. Develop & release an RFP (late fall 2017) for an agency to provide both a custom website and staffing to support the Housing One-Stop. The website development alone with the associated algorithms could cost close to \$80,000, plus associated staff costs.
 - B. Provide initial funding of \$100,000 for development and nonprofit management
3. **Develop a Marketing, PR & Communications Plan to continue to educate the community** on who needs housing and is having trouble finding it; why do we need to address the situation; and what's the impact of no action; and keep the public aware of efforts and impact.
 - A. Educate residents and "change the narrative" to present affordable housing as a necessity and a shared public responsibility
 - B. Create PSA's, short videos and social media and other vehicles to continually educate the public on housing affordability issues. Show images of a nurse, teacher, bank manager, sheriff's deputy, mid-level managers, etc. and explain that we need them, and they need housing that's affordable. Images of the elderly and other working citizens. Have Dr. Weiss

Affordable housing is an essential part of every community's infrastructure. It is one of the cornerstones to creating a healthy, vibrant and sustainable community.



(nurses & healthcare), Dr. Patton (teachers) and Sheriff Rambosk (sheriff's deputies) make brief video statements on how housing challenges are beginning to impact their ability to recruit and keep staff, and that when those staff live outside our community, we lose their spending and their potential off-work contributions in our neighborhoods (coach, volunteer, youth leader, etc.).

- C. A marketing campaign involving surveying for baseline understanding, executing a marketing plan to raise awareness and understanding, and then post-marketing surveying to determine if we've moved the needle. ***The goal is to inform & encourage more citizens to feel more inclined to support such housing (Can I Be Your Neighbor? Yes in My Back Yard campaigns), and realize the benefit of being able to provide housing for a range of workforce needs that impact their lives and build community***
 - D. Begin a campaign to clarify what we mean by "affordable housing" and "workforce housing" – using both short videos and social media to define the issue and who it impacts. This effort could have a County component explaining the issue (not campaigning, but explaining), and a business component that would engage the private sector – for instance, engage the Chamber's GAIN and Leadership Collier classes and alumni as the "face of workforce housing," demonstrating the quality of our workforce members (who currently often can't afford to live in Collier County).
 - E. Plus, we need to show what 16-30 housing units per acre looks like, in terms of apartments, townhouses and homes. This seems to be a constant sticking point. Also, we learned how there will need to be more caregivers (the federal minimums are increasing) to take care of our aging (and increasingly income-constrained) population, yet we have a shortage of housing that would be affordable to caregiver staff. Can we assume they will live outside of Collier County and commute each day in large enough numbers to meet the demand?
4. ***Also consider solutions that don't involve construction.*** For example, Hillsborough County offers assistance with down payments. Plus, some resort communities include connections to VRBO properties as an access to transitional housing that's affordable (an owner may be willing to do a 1 year rental, at an overall lower price than the seasonal rate, but making the same amount of money as a 6-month rental). Anything that could be



done to provide more awareness of properties that are already in existence.

Most Critical Need and Combination of Strategies

The need for affordable rental housing is one of the major challenges for our community. Businesses that are recruiting for professionals or those employers that hire seasonal health care or hospitality employees, have difficulty finding vacant rental units for their permanent relocation, or seasonal employment. Existing rental communities have a very low vacancy rate of 3%-4% which is insufficient to accommodate population growth or current residents in need of a new rental units. This current situation also imposes huge burdens on renters if units are taken out of service such as an apartment complex fire (Bear Creek, April 2017) or a natural disaster such as Hurricane Irma.

The County currently administers some State & Federal grant programs that target rental housing. In the 1990's and early 2000's there were a number of apartment communities built utilizing programs including Low Income Housing Tax Credits (LIHTC), State Apartment Incentive Loan (SAIL) program, Federal Home Loan Bank Board funding and other resources. However, since the mid-2000's we have not seen new rental apartment communities come online as the county's population continues to grow. In addition, apartment communities built utilizing LIHTC and other programs regularly convert to market rate housing after the subsidies and use restrictions expire (30ys+/-). We have recently "lost" five apartment communities whose subsidies have expired and five more communities' subsidies will expire between 2022-2028. Each apartment community that converts to market rate has the ability to impact 50 to over 250 households.

To accommodate population and associated employment growth, many of the strategies proposed in this plan will help to increase the supply of much needed rental housing. These strategies include the Affordable Housing Density Bonus (AHDB), Mixed-Income Housing, Community Land Trust (CLT), Linkage Fees, local Housing Trust Fund (HTF), Impact Fee Discounts, and other programs. Many of these programs are intended to be layered to provide sufficient incentives for developers to build much needed rental housing.

Utilizing the Affordable Housing Density Bonus program (AHDB), rental developments are built at higher multi-family densities. The Mixed Income Housing requirement will produce units at various income ranges to be included in market rate communities, with a set aside for seniors and special needs, or opt to build a housing development off-site. Funds in the local housing trust fund (HTF), including linkage fees, percent of sales tax/ad valorem, and donations, could be used to provide a local match to aid apartment developments competing for state and federal funding, thereby boosting their chances of award. In addition, rental developments could be built on land owned by a non-profit community land trust (CLT) which would result in long-term (99 years) affordability. Together, all of these programs,



and others, will help the county increase the supply of rental housing that is affordable to accommodate its future population and employment growth.

Closing the Gap

In an effort to address the housing affordability crisis in Collier County, local government and the business community must partner to quickly implement some short term, medium, and long term initiatives. To paraphrase the ULI, **now is the time for action**. The future sustainability, livability, vibrancy, and quality of life of our community is at stake.

The following table demonstrates how this plan addresses the current and future need for housing that is affordable for our workforce and low-income seniors and special needs populations.

Figure 19. Housing Response Model

												Units to be Produced by Strategy	
Tenure	Target	Household Income Level	Household Income in Dollars (3-person household)	Rent/Purchase price	Remaining Units Needed	Increased Density	Increased Certainty	Housing Trust Fund with Linkage Fee (\$50k/unit)	Mixed Income Housing (15% of Approvals)	Land Trust (est 20ac.)	Grant Funding (\$50k/unit)	TOTAL Projected Units Produced	
Rental	Extremely Low	Less than 30%	\$18,840	\$471	536	4	0	3	5	15	20	47	
Rental	Very Low	31%-50%	\$31,400	\$785	550	50	50	20	10	40	40	210	
Owner/Rental	Low	51%-80%	\$50,240	\$1256/\$115,000	532	75	75	20	55	45	20	290	
Owner	Moderate	81%-120%	\$75,360	\$200,000	47	100	150	5	55	20	10	340	
Owner	Gap	121%- 140%	\$90,432	\$250,000	n/a	50	271	2	55	0	0	378	
Total					1,665	279	546	50	180	120	90	1265	



Implementation Plan/Schedule

The Community Housing Plan recommendations to be undertaken are:

Immediate Action

- *Approve the Community Housing Plan*
- *Adopt New Definition of Affordable Housing – Housing Affordability*
- *Adopt new Housing Demand Methodology*
- *Direct staff to advertise Mixed Income Housing Ordinance*
- *Commission a nexus study and direct staff to advertise Linkage Fee Ordinance*
- *Amend the Affordable Housing Density Bonus (AHDB) program*
- *Reinstate the Housing Trust Fund and adopt funding sources*
- *Advocate for full funding of the Sadowski Housing Trust Fund*
- *Adopt a policy to address housing that is affordable in future public land acquisitions.*
- *Prepare a Request for Proposal (RFP) making County owned sites available for housing development.*
- *Adopt amended Impact Fee Relief program*

Short Term (1-3 Years)

- *Partner with a local nonprofit organization on the creation of a Community Land Trust and provide financial assistance of \$100,000 for the first two years.*
- *Create a concurrent zoning review/approval process to reduce the cost of affordable housing construction and expedite new housing*
- *Develop a marketing & communications plan and expand educational programs including household budgeting*
- *Update the Land Development Code to include new housing programs and definitions*
- *Update the inventory of affordable housing units regularly*
- *Fund the Housing Trust Fund (HTF) through local initiatives*
- *Develop guidelines to require mixed income residential housing in activity centers*
- *Adopt public policies regarding use of County owned land*
- *Provide administrative approvals of certain affordable housing applications*



- *Provide an increase in density in the Community Redevelopment Agency (CRA) areas and along transit corridors*
- *Continuously review and monitor the LDC and Growth Management Plan to update and ensure the goal of increasing housing affordability is being met*
- *Develop an administrative process for commercial to residential conversions*
- *Build Developer Capacity*
- *Build Housing Development Corporation Capacity*

Long Term (4-10 years)

- *Continue to conduct an annual review of the Housing Trust Fund (HTF) and report on expenditures and accomplishments*
- *Review and adjust the mixed income housing, Linkage Fee, and Density Bonus programs as needed to balance the needs of residents, developers and the current market*
- *Continue to monitor all housing initiatives to ensure that the goal of increased housing affordability is being met*
- *Continuously review and monitor all affordable housing incentive programs to ensure they are on track and meeting goals*
- *Continuously review and monitor the affordable housing inventory, marketing & communications plan, and other educational tools and programs to ensure the goal are being met*

