

Housing Assistance and Housing Programs at Work in Unincorporated Pinellas County

HOUSING PROGRAM FUNDING SOURCES

Pinellas County receives Federal grant funds and program income as well as State funds. The source of funds is the Community Development Block Grant (CDBG), HOME Investment Partnership Inc., Emergency Shelter Grant (ESG), State Housing Initiatives Partnership (SHIP), and Pinellas County Housing Trust Fund Programs.

County funds may be expended in unincorporated areas and all incorporated areas except St. Petersburg, Clearwater, Largo and Belleair Shores. HOME funds will also be expended in the City of Largo as a member of the Pinellas County Consortium. All proposed projects must either principally benefit income-qualified households or areas according to regulations governing the grant source, or eliminate slums and blight.

Funding will be allocated to projects within the County's four major areas of interest: housing, neighborhood improvements in targeted areas, special district activities, and facilities serving low and moderate-income including special needs populations.

Community Development Block Grant (CDBG).

HUD's Community Development Block Grant provides funds annually to the Pinellas County Community Development Department to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The program is authorized under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.-5301 et seq. HUD awards grants to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services. CDBG funds may be used for activities which include, but are not limited to: acquisition of real property; relocation and demolition; rehabilitation of residential and non-residential structures; construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes; public services, within certain limits; activities relating to energy conservation and renewable energy resources; and provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities.

According to the "Pinellas County Consortium and Urban County 2007-2008 Action Plan", CDBG funds will be used in the Greater Ridgecrest Area (GRA) for clean-up and to rehabilitate the roof of the YMCA of the Suncoast Greater Ridgecrest Branch. In Lealman, HOME funds are awarded annually to Pinellas County as a participating jurisdiction. The program's flexibility

allows HOME funds to be used for grants, direct loans, loan guarantees or other forms of credit enhancement, or rental assistance or security deposits.

Home Investment Partnerships Program (HOME).

HOME funds are awarded annually to Pinellas County as a participating jurisdiction. The program's flexibility allows HOME funds to be used for grants, direct loans, loan guarantees or other forms of credit enhancement, or rental assistance or security deposits. Participating jurisdictions, such as Pinellas County may choose among a broad range of eligible activities, using HOME funds to provide home purchase or rehabilitation financing assistance to eligible homeowners and new homebuyers; build or rehabilitate housing for rent or ownership; or for "other reasonable and necessary expenses related to the development of non-luxury housing," including site acquisition or improvement, Demolition of dilapidated housing to make way for HOME-assisted development, and payment of relocation expenses. HOME funds may be used to provide tenant-based rental assistance contracts of up to 2 years if such activity is consistent with the Consolidated Plan and justified under local market conditions.

Emergency Shelter Grant (ESG).

ESG funds are used to rehabilitate shelters serving the homeless and to provide operating funds and essential supportive services.

State Housing Initiatives Partnership (SHIP Program).

SHIP funds are used for emergency repairs, new construction, rehabilitation, down payment and closing cost assistance, impact fees, construction and gap financing, mortgage buy-downs, acquisition of property for affordable housing, matching for federal housing grants and programs, and home ownership counseling.

Affordable Housing Trust Fund

To date, Pinellas County's Capital Improvements Plan (CIP) has been approved with a \$5,000,000 budget for a Housing Trust Fund. The Board of County Commissioners recognized the challenge of affordable housing in the County and adopted Resolution 05-237 establishing a County Community Housing Program providing for, among other things, the establishment of a Housing Trust Fund. The Housing Trust Fund is established to receive revenues as determined and directed by the Board into a specific fund dedicated to support the development and preservation of affordable housing. The Housing Trust Fund will be a separate and segregated fund for purposes of accounting and control of funds to be utilized exclusively for expenditures in accordance with funding sources and in furtherance of housing programs. Because existing housing dollars cannot meet the current demands for affordable housing, one option is that the Housing Trust Fund will be funded by adding new revenue sources consisting of both ad valorem and non-ad valorem revenue sources. Funds from the Housing Trust Fund are meant to assist in the development and provision of affordable housing within Pinellas County, to help in the preservation and expansion of the supply of such housing, ensure that adequate sites for affordable housing exist and remain available within the County, assist in the continued elimination of substandard housing conditions in the

County, provide direct financial and technical assistance to qualified housing projects or eligible individuals, and fund approved, eligible operating expenditures related to the provision of and development of affordable housing.

Certain Housing Trust funds will also be used as loans available to both qualified borrowers and projects to acquire, develop, purchase, renovate existing housing as well as necessary land acquisitions in order to provide an increase to the affordable housing inventory. In addition, certain Housing Trust funds will be utilized to facilitate and promote housing opportunities to those determined eligible by providing down payment assistance, closing costs assistance, interest rate buy-downs, tenant based rental assistance programs, and employer assisted housing programs.

As of April 2007, Pinellas County Community Development was accepting applications for housing production, preservation, promotion of homeownership, and other activities. The geographical area covered by the Pinellas County Housing Trust Fund Plan is all of unincorporated Pinellas County and the municipalities of Belleair, Belleair Beach, Belleair Bluffs, Dunedin, Gulfport, Indian Shores, Indian Rocks Beach, Kenneth City, Madeira Beach, Oldsmar, Pinellas Park, North Redington Beach, Redington Beach, Redington Shores, Safety Harbor, St. Pete Beach, Seminole, South Pasadena, Tarpon Springs, and Treasure Island.

For all strategies and other activities, applications will be accepted on a first-come, first served basis. Project proposals will be evaluated based on the following factors: (a) economic feasibility, (b) location, including consideration of impact on targeted areas, (c) priority of need addressed, including consideration of those needs identified in the County's Comprehensive Plan, the Consolidated Plan, and the Local Housing Assistance Plan, (d) leveraging included in project, and (e) terms of financing requested. Technical assistance will be provided as needed to guide participants through the application process.

Affordable Housing Land Inventory

In addition to the Affordable Housing Trust Fund designed to provide funding for affordable housing, Pinellas County has a Housing Trust designed to set aside actual real estate for affordable housing purposes. Section 125.379, F.S. requires that Pinellas County prepare an inventory of real estate within its jurisdiction that it owns by fee simple title and that is appropriate for use as affordable housing. In June 2007, Pinellas County passed a resolution providing such a list, and it is summarized in **Table 20** below.

**Table 20
Affordable Housing Land Inventory
(2007 to 2010 - Pinellas County)**

Map Locator Number	Address	Parcel Number	Current Use	Land Use	Zoning	In the Coastal High Hazard?	In the 100-Yr. Flood Plain?	Evacuation Zone
1	None	02/31/16/33966/000/0220	Vacant	RLM	R-4	No	No	Non-Evac
2	606 S. Keene Rd.	13/29/15/40698/000/0160	Vacant	RU	R-4	No	No	Non-Evac
3	None	23/29/15/49140/000/0430	Vacant	RL	R-3	No	No	Non-Evac
4	None	23/29/15/49140/000/0510	Vacant	RL	R-3	No	No	Non-Evac
5	NW Corner of Whitney Rd. & Oak St.	29/29/16/62820/002/0010	Vacant	RL	R-4	No	No	D
6	None	32/30/16/79452/000/0170	Vacant	RU	R-4	No	No	D
7	None	32/30/16/79452/000/0180	Vacant	RU	R-4	No	No	D
8	None	02/31/16/33930/001/0300	Vacant	RLM	R-4	No	No	Non-Evac
9	Mars & Rainbow	13/29/15/82584/002/0020	Vacant	RH	X	No	No	Non-Evac

Source: Pinellas County Planning Department, 2008.

SPECIFIC HOUSING PROGRAMS AND INCENTIVES

Density Bonuses

Pinellas County land development regulations may allow a density bonus for Affordable Housing developments (AHDs) as specified in the County's adopted Affordable Housing Incentive Plan, and subject to program guidelines and specifications as well as compatibility with surrounding development, site constraints, and other appropriate considerations as determined through the Pinellas County Comprehensive Zoning Regulations and the site plan review process. Subject to the above constraints and considerations, any density bonus allowed for an affordable housing development shall not exceed 50 percent of the allowable density on a property as determined by the Future Land Use Map or the applicable land development regulations, whichever is more restrictive. A density bonus shall not be allowed for affordable housing developments located within the coastal storm area.

Pinellas County Affordable Housing Incentive Program (AHIP)

The Pinellas County Affordable Housing Incentive Plan (AHIP), adopted by the Pinellas County Board of County Commissioners by resolution in March of 1994, is based on the State Housing Initiatives Partnership Program (SHIP). The State Housing Initiatives Partnership Program (SHIP) was created by the passage of the William E. Sadowski Affordable Housing Act which was signed into law on July 7, 1992. The intent of SHIP is to provide funds to local governments as an incentive to produce and preserve affordable housing for Very-Low Income, Low-Income and Moderate-Income persons. By fostering active partnerships between governments, lenders, developers and community groups, the SHIP legislation desires to combine public and private resources to create new housing opportunities and improve and conserve existing housing. With a steady source of funding derived from a portion of the State's documentary stamp tax revenues, the SHIP program is expected to help meet the expanding housing needs of Low and Moderate Income families and increase the opportunity for home ownership for Very Low Income families.

The Pinellas County Affordable Housing Incentive Plan was developed through meetings between members of the Affordable Housing Advisory Committee and staff from departments of Community Development, Planning, Development Review Services, and Building. The purpose of this Plan is to provide incentives, both monetary and non-monetary, to produce and preserve affordable housing for Very Low- to Low-Income persons; to combine public and private resources to create new housing opportunities and improve and conserve existing housing; and to foster active partnerships between the County, the development community, and community groups. The following describes the content of the AHIP Plan:

Zoning Provisions

Expedited Permit Processing - A procedure has been implemented to give affordable housing developments priority in the permitting review process. A two-week turnaround time on any submittal in the permitting process has been specified as the desired goal for processing AHDs. In order to assist in achieving this goal, a pre-application meeting is required between the applicant and County staff, and an ombudsman from existing staff will be assigned to each AHD.

Parking and Setback Requirements - A procedure has been implemented to permit reduction in parking and setback requirements for AHDs when design is compatible with scale and intensity of development; the procedure includes determination case by case based on site conditions, type of development, etc.

Zero-lot-line Configurations - These configurations are permitted for affordable housing developments in all residential zones subject to compatibility with surrounding development. A process has been developed for determining compatibility with surrounding development.

A special chapter has been created in the Zoning Code that: a) specifies the process and criteria for certifying affordable housing developments, b) gives the package of incentives to be considered for each AHD including limitations of each based on site conditions, compatibility issues, types of development, etc., and c) gives the review process for approving the development.

Donation of Publicly-Owned Land

County Ordinance 88-47 currently permits donations of escheated property to nonprofits. The County can also donate property to both nonprofits and for-profits when the property is acquired with federal or state housing funds and the use meets the requirements of those programs. These programs will be continued.

Accessory Housing Units

A procedure has been implemented for permitting this type of unit in all single-family residential zoning districts subject to meeting requirements relating to size of unit, design guidelines, parking, concentration of units, etc., and subject to the primary unit being an owner-occupied unit. The Zoning Code has been amended to permit this procedure.

Mixed-Use Development

In the Housing and Future Land Use Elements, policies have been adopted for permitting residential development in commercial zoning districts and, where residential development occurs as upper stories to the underlying development, permitting the underlying development to occur without reducing that development's floor area ratio. The Zoning Code has been amended to permit this procedure.

Information Dissemination

Several brochures, booklets and fliers have been published by Community Development to distribute information about all of its various programs related to rental and ownership housing.

Fee Relief Program

The Fee Relief Program is one of a number of incentives designed to help expand the supply of affordable housing through new construction. This program is available in unincorporated areas of Pinellas County and may be used either separately or along with other incentives

provided through Section 138-1346 of the Pinellas County Land Development Code and the County's affordable housing programs. There are two distinct aspects of the Fee Relief Program: Permit and Review Fee Waivers and transportation and water/sewer Impact Fee Reimbursements.

Acquisition/Rehabilitation Program

As the supply of available land becomes increasingly limited, the acquisition of sites for housing development and rehabilitation of existing housing units can take on greater importance. Under the Acquisition/Rehabilitation Program, the Pinellas County Board of County Commissioners through the Community Development Department, can purchase land for the purpose of housing development or provide funding to acquire and/or rehabilitate existing multifamily housing projects.

Program funds may be used for the acquisition of real property and related predevelopment soft costs as title searches, property appraisals, surveys and environmental assessments. Eligible rehabilitation includes costs associated with updating and modifying units, repairs to correct substandard conditions, energy efficient modifications, and site improvements. All costs incurred under this program must be project specific and not general in nature. This program may be used on a countywide basis.

LAND USE AND LAND DEVELOPMENT STRATEGIES: INCLUSIONARY HOUSING AND LINKAGE FEES

Inclusionary Housing

Inclusionary housing refers to the requirement that a percentage of new development be affordable to people with low to moderate incomes. The term inclusionary housing is derived from the fact that these requirements seek to counter housing practices which have effectively prevented individuals with low to moderate incomes from living in certain areas. In implementing a policy of inclusionary housing, deed restrictions and other requirements are utilized to ensure affordability over time. Overall, Inclusionary Housing may become one piece of what will be a larger, more comprehensive strategy for providing housing for all income levels.

Recognizing the importance of affordable housing, Pinellas County established the Community Housing Workgroup in the summer of 2005, which consisted of members from a wide range of interested parties such as Pinellas County departments, other municipalities within the county, and representatives from banking, real estate, apartment management, and land development. One of these Workgroup subcommittees focused exclusively on Inclusionary Housing.

Following several meetings, the Inclusionary Housing Committee of the Community Housing Workgroup made several findings. Included in those findings was the recommendation for the incorporation of policies evaluating the feasibility Inclusionary Housing in the Comprehensive Plan.

Should the Board of County Commissioners decide to implement an Inclusionary Housing program, Pinellas County will modify its Affordable Housing Incentive Plan (AHIP), because the Inclusionary Housing Program and AHIP both address overlapping issues such as density bonuses. Please see the discussions below regarding linkage fees and the 2007 Housing Nexus Analysis section below for more about the latest on Inclusionary Housing.

Linkage Fees and the 2007 Housing Nexus Analysis

Because Pinellas County is facing a crisis in affordable housing, it is pursuing a variety of strategies and actions to address the problem of housing affordability. Pinellas County hired a consultant, Bay Area Economics, in 2006 to conduct a nexus study to establish the “nexus” between new development and the need for affordable housing by demonstrating how new jobs attract households at incomes below that required to buy or rent existing housing. It also evaluates the opportunities for including affordable housing in new developments and the effectiveness of incentives in helping to offset the costs of making those new units affordable.

Linkage fees require contributions by developers of new commercial, industrial and possibly residential development to a fund that subsidizes the cost of developing new affordable housing. The Nexus Study quantifies the link between new commercial development, the new employment it engenders, and the demand for additional affordable housing in Pinellas County. Housing linkage fees have been adopted in numerous places, including Seattle, WA, the City of Winter Park, FL (charges 50 cents per square foot), and Coconut Grove (non-residential linkage fees).

The study concluded that Pinellas County can legally charge \$13.57 per square foot as a maximum linkage fee for new commercial development, meaning that the nexus between new development and the demand for affordable housing is sufficient to justify this amount. BAE recommends lower linkage fees for commercial development, however, ranging from 1.40 per square foot to \$2.90 per square foot, depending on the type of commercial land use.

For residential development, it concludes that a maximum linkage fee of \$19,560 per unit would be legal. However, the fee, itself, impacts affordability of housing. Therefore, BAE recommends lower linkage fees for developments: Developments that do not include affordable housing, therefore, should be only 2% for rental units and 4% of ownership unit costs, ranging from \$12,100 per new market-rate rental unit to \$4,800 per new market-rate ownership unit.

Impact Fees, User Charges, Connection Fees

Impact fees are one of the methods Pinellas County could consider as a means to fund affordable housing. Impact fees are charges assessed by local governments against new development, generally at the building permit stage. Impact fees are a means for local governments to cover the cost of providing capital facilities to serve new development. These fees are usually based on a formula (an amount per square foot of new construction), a land use criteria (different fees for single-family and commercial office construction), or a use based criteria (water meter size). Impact fees are meant to assist in the construction or expansion of infrastructure to keep pace with new growth. Impact fees do not provide funds for public facility operating costs.

User charges are designed to support the costs of public facilities or services by charging those who benefit from them. User charges are employed in many areas of local government service. Water and sewer user charges, along with connection fees, defray the cost of constructing and maintaining facilities, and these funds are commonly used to pay off revenue bonds.

Pinellas County presently utilizes user charges and connection fees for sanitary sewer and potable water services. The fees assessed for each housing unit assist in supporting construction of needed infrastructure; however, as mentioned in the County's AHIP program, a qualified affordable housing development can apply to have the fee paid for by Pinellas County.