

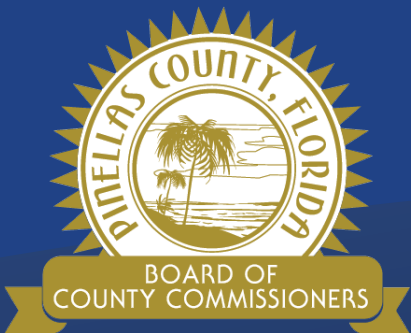
Penny IV Affordable Housing Program Review



Housing and Community Development

Carol Stricklin, AICP

Director



Our Vision: To Be the Standard for Public Service in America



Penny IV Affordable Housing Program



Strategy Summary

Goal: Serve those in greatest need by producing maximum number of affordable units for lowest incomes over 10 years

Priority: Viable projects that offer the most affordable units for lowest income levels

Mixed Income and Workforce Evaluation: Projects supported to maximize total available affordable units and add more homes for the local workforce

Penny IV Affordable Housing Program



Background

- Expands upon affordable housing land acquisition program to include land acquisition and capital infrastructure for economic development/nexus projects
- Resolution 19-6 provided guidance to BCC intent
- Joint Review Committee (JRC) Guidelines approved December 10, 2019

Penny IV Affordable Housing Program



Review of Program

- Positive market response
- No major changes
- Project Evaluation
- Review Process

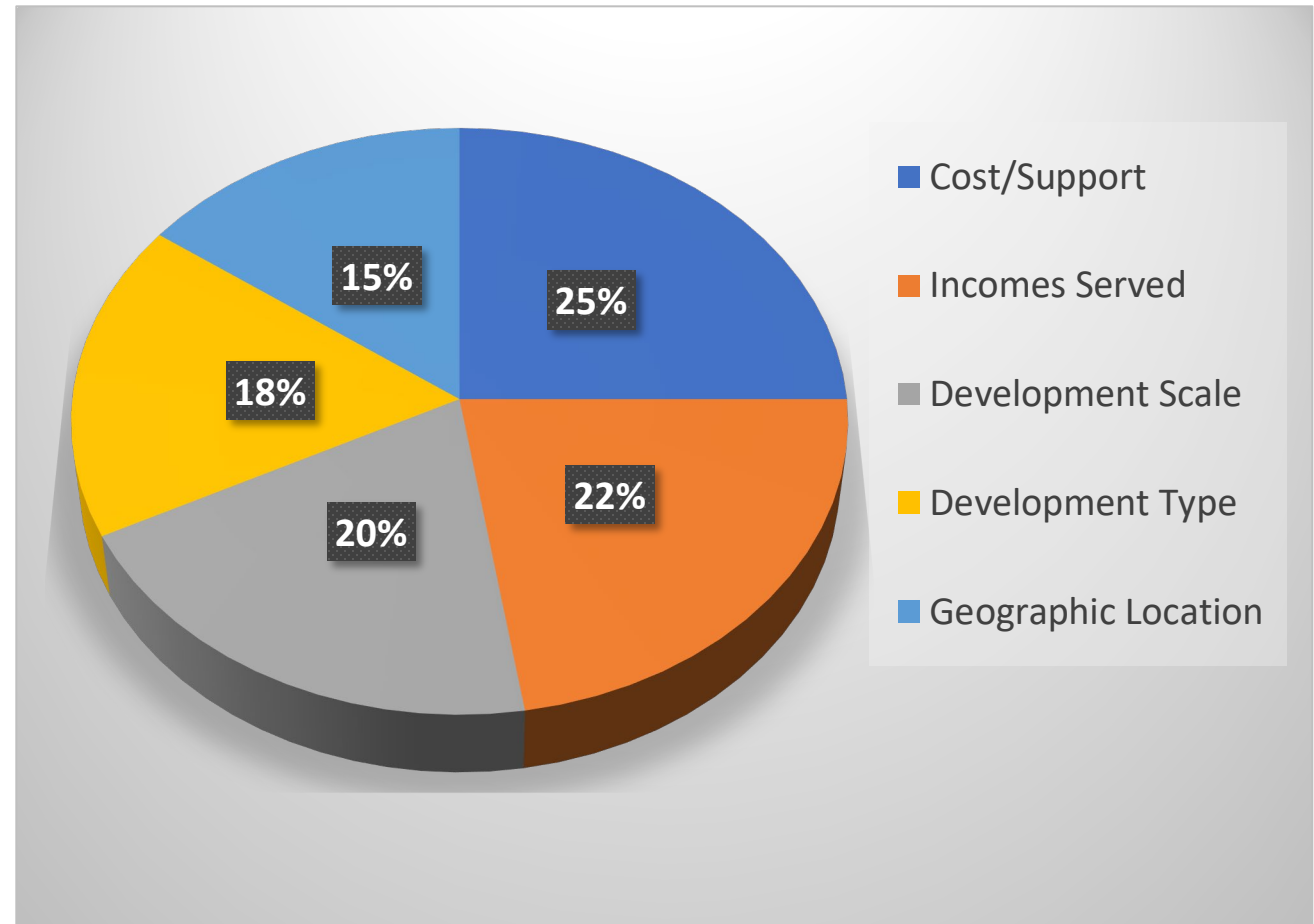
Policy Discussion

- Commitment to the maximum number of affordable units over 10 years
- Agreement on support of mixed income and workforce projects

Penny IV Affordable Housing Program

Project Evaluation

- Scoring always favors projects that produce more affordable units consistent with Resolution 19-6
- Allows consideration of all projects producing affordable units
- No major changes needed



Penny IV Affordable Housing Program



- **No changes to scoring for incomes served – maximum points for lower income levels**
- **Refine scoring for**
 - **Per unit subsidy**
 - **Leverage**
 - **Type**

Cost/Support	Incomes Served	Development Scale	Development Type	Geographic Location
Per Unit Subsidy	Income Levels	Affordable Units	Preservation of Affordability	Designated Corridor
Local Government Support Leverage	Income Targets	Total Units	Type (rental or ownership) Mixed Use Mixed Income	CRA

Penny IV Affordable Housing Program



Refine Scoring

Per unit subsidy

- Reduced points awarded for higher subsidies

Leverage

- Points awarded for based upon ratio of county funds as a percentage of total project cost to the percentage of affordable units under 80% AMI

Home ownership

- Reduce points awarded for rental housing
- Provide additional 5 points for home ownership projects serving below 80% AMI

Penny IV Affordable Housing Program



- Provide clarity and transparency regarding project analysis and financials
- Present metrics as tools for decision making
 - Per unit subsidy and construction cost
 - Leverage – funding/development cost ratio
 - Number of affordable units produced by income level
 - Developer fee, return on equity
 - Rent savings over time for mixed income projects

Penny IV Affordable Housing Program



	Project A – 100% Affordable (Land Assembly)	Project B - Mixed Income (Capital Construction)
Description	65 units below 80% AMI	59 units below 80% AMI 66 units 81 – 120% AMI 290 Market Rate
Funding/Development Cost Ratio	\$700,000/\$16,462,296 (4.25%)	\$4,000,000/\$97,000,000 (4.15%)
Per Affordable Unit Subsidy Penny IV/All Sources	\$10,769/\$215,210	\$32,358/\$32,358
Per Unit Subsidy/Total Units	\$10,769	\$9,368
Per Unit Development Cost	\$253,266	\$233,735
Developer Fee	12.66%	2.97%

Penny IV Affordable Housing Program



Need to expedite and streamline review process

- Recommend eliminating application “rounds” in favor of open application period
 - Pre-application assistance
 - Review projects individually to expedite project approval – minimum scoring criteria
- Bring projects to BCC for conditional approval when project is ready, and timing aligns with other funding sources
- Need for ongoing review as program progresses

Penny IV Affordable Housing Program



Policy Discussion

- Mixed income projects leverage subsidy to produce additional affordable units
- Benefits for economic development
 - Invest in CRAs, underserved areas
 - Nexus between workforce housing and economic development
- Brings new developers to the market
- Mixed-income development has long been seen as an important strategy to strengthen neighborhoods and improve prospects for low-income families (Urban Land Institute)

Penny IV Affordable Housing Program



Why not only fund 100% affordable projects?

- Fewer net units built over long term
- Projects represent a fraction of potential viable projects each year
- Cost per affordable unit too high without state/federal support
- Mixed-income = more families housed in affordable units

Penny IV Affordable Housing Program



- **Evaluate success over long term, not at project level**
- **Serve those most in need by producing the maximum number of affordable units within guidelines provided**

Penny IV Affordable Housing Program



Progress to Date

Round One – 18 applications

- 4 projects awarded – 412 units, (103 units below 60%, 90 units below 80% AMI)
- Committed \$11,070,000 (13.84%) of \$80M

Round Two - 6 applications

- Dunedin Senior; Greenway Lofts; Oakhurst Trace; Oasis Acres; Creekside Manor; Residences at Bartlett Park
- No awards at this time. 4 do not currently meet project readiness; 2 withdrawn or ineligible; 1 reapplied for Round Three, Oakhurst Trace

Round Three –10 applications (under review)

Our Commitment

Keep families housed by keeping as many homes affordable as possible into the next generation