

A large, stylized graphic in the background features a yellow sun with rays and two green leaves, all set against a light blue wave-like shape at the bottom. The sun and leaves are semi-transparent, allowing the text to be seen through them.

Charlotte HOME

Housing Opportunities Made Easier

Affordable Housing Task Force Update

February 18, 2020



CHARLOTTE COUNTY
FLORIDA

Discussion Points

- Charlotte HOME Summary and Review
 - Application and process
 - Incentives and scoring matrix
- Affordable Housing Trust Fund
 - Funding source and amount

Charlotte HOME

- Standardized application process for affordable housing developers
- Sets forth a framework for awarding incentives and reducing barriers
- Establishes County priorities for types of housing, number of units, term of affordability, average affordability of units, etc.
- Delivers comprehensive standards for all County affordable housing initiatives

Application & Designation Process

Project conference to include developer/builder, Community Development, Utilities, and Human Services to review project eligibility requirements

Developer completes Charlotte HOME application

Tier II-Tier IV projects are referred to Affordable Housing Advisory Committee, then Board for approval

Affordable Housing Scoping Meeting scheduled with developer/builder and Community Development, Utilities and Human Services (Planning and Plans Review)

Scoring Matrix

Tier I-Designation of Affordable Housing

– Based on:

- Type of housing (multi-family rental is prioritized)
- Average affordability of units
- Additional points awarded to Non-profit/Community Land Trust

– Eligible for:

- Impact fee waiver (on affordable units)
- Expedited permitting

Must meet minimum Tier I threshold score

Scoring Matrix

Tier II-IV-Eligibility criteria for additional incentives

- Based on:
 - Term of affordability
 - Capacity of builder/developer
 - Project readiness
 - Leveraged investment (ROI)
 - Additional considerations
- Eligible for:
 - Impact fee waiver on affordable units only
 - % of fee subsidy/deferral up to a maximum threshold (commensurate with score)

Potential Incentive Award Criteria

Score	Level	Maximum Incentive
<30 points	Disqualified	Does not meet threshold
30-49 points	Tier I	Impact fees waived on affordable units only
50-79 points	Tier II	Tier I + 30% fee subsidy (not to exceed \$200,000)
80-100 points	Tier III	Tier I + 50% fee subsidy (not to exceed \$400,000)
>100 points	Tier IV	Tier I + 100% fee subsidy (not to exceed \$650,000) + other incentives

Subsidy vs Deferral

Recommend subsidy for projects that exceed 20 year affordability period and deferral for projects that don't meet affordability period defined in Land Use Restriction Agreement (LURA).

Trust Fund: Offsetting Costs

	Per Unit Cost: Multi-Family	Per Unit Cost: Single Family
Utilities Fees: Water	\$4,754.40	\$6,792.00
Utilities Fees: Sewer	\$5,317.80	\$11,201.00
Building Permit Fees (based on 1000sf)	\$735.00	\$448.00
Subtotal	\$10,807.20	\$18,441.00
Impact Fees (recommend waiver)	\$2,668.00	\$4,375.00
Total (impact fees offset vs waived)	\$13,475.20	\$22,816.00

Scoring Scenario A

Non-profit Builder/Developer

- Single Family Homes/Ownership
 - 60% -80% Area Median Income
 - 30-35 units annually
 - Affordability tied to the sale of the unit
 - Low to no interest mortgage rates
 - Robust programming and sweat equity for clients
- Eligible for Tier II Award:
 - Impact fees waived on all affordable units
 - 30% of fee subsidy (or deferral) up to maximum threshold

Scoring Scenario B

Large Scale Builder/Developer

- Multi-Family Apartments/Rental
 - Mixed Income
 - Average affordability 80% Area Median Income (AMI)
 - 1000 units
 - 30 year affordability period
 - Limited programming for clients
- Eligible for Tier IV Award:
 - Impact fees waived on all affordable units
 - 100% of fee subsidy up to maximum threshold

Trust Fund Investment and ROI

Investment Amount	Potential Number of Affordable Units Added	Estimated Property Taxes Paid Annually	Estimated ROI (20 year affordability period)
\$500,000	27-154 units	\$12,795-\$82,100	\$255,897-\$1,642,009
\$1,000,000	54-308 units	\$28,788-\$164,200	\$575,770-\$3,284,019
\$1,500,000	81-462 units	\$43,182-\$246,301	\$863,654-\$4,926,028
\$2,000,000	108-616 units	\$57,577- \$328,401	\$1,151,539- \$6,568,038

Potential Funding Source

General Fund Year-end Balance FY 18/19	
Total Revenues	\$105,426,556
Total Expenditures	\$103,884,146
Surplus	\$1,542,410
Less: Carry Forward	\$900,685
Available Surplus	\$641,725

*Current Trust Fund balance \$224,374
(result of the sale of Seven Palms Apartments)*

Recommendations and Next Steps

- Approval of Affordable Housing Advisory Committee (AHAC) incentive strategy recommendations on 2/25/2020
- Waiver of impact fees on 3,650 affordable units
- Adoption of Charlotte HOME program
- Initial investment in Affordable Housing Trust Fund