

Palm Beach County Housing Steering Committee
Wednesday, November 10, 2021
Meeting Summary

Attendance: Skip Miller (Chair), Sammy Alzofon, Jim Bell, Juanita Bernal, Charlotte Burnett, David Brandt, Tracy Caruso, Whitney Cherner, Tim Coppage, Jodi Cross, Jervonte Edwards, Patrick Franklin, Stephanie Heidt, Sherry Howard, Michael Howe, Michele Jacobs, Annetta Jenkins, Elliott Johnson, Ezra Krieg, Cindee LaCourse-Blum, Dom Macri, Sergio Mariaca, Andrew Meyer, Dorritt Miller, Jennifer Morton, Terri Murray, Linda Odum, Amy Pettway, Tatiana Pumphrey, Kevin Ratterree, Mercedes Rodas, Carlos Serrano, Caroline Shamsi-Basha, Joann Skaria, Katy Smith, Jennifer Thomason, Lori Vinikoor, Michael Weiner, Jack Weir, Tim Wheat, Anna Yeskey.

Staff: Suzanne Cabrera, Leslie Mandell, Eralda Agolli

Welcome

Skip Miller welcomed everyone to the meeting and asked for introductions.

Review Housing Plan Draft

Attendees were asked to give input regarding the housing plan that was drafted by Elliott Johnson, Ezra Krieg, Skip Miller, Katy Smith, and Jack Weir.

Add a headline statement

Goal: To produce, rehabilitate, and preserve 20,000 units of affordable and workforce housing in Palm Beach County by 2032.

Recommend to incorporate the racial equity lens into the goal

To Do: Elliott Johnson will revise the goal for review at a later date.

Action items: 20,000 units is the target goal determined after reviewing the FIU Needs Assessment and speaking with Commissioner Mack Bernard.

Vision: Sustainable access to financially feasible housing for residents of our community and members of our workforce with a broad range of household incomes.

Recommendations

- **Move the VISION to the top of the housing plan**
- Explain how the housing plan will be viewed through a racial equity lens
- Change vision wording to: "Sustainable access to financially feasible **and equitable** housing **opportunities** for residents of our community and members of our workforce with a broad range of household incomes."
- Add "diverse" but financially diverse and feasible housing to the Vision statement

Initiatives

Recommendations

- Add as an action item under another initiative: Structure and Administration
 - Establishing the plan
 - Maintaining the plan
 - Messaging the elements of the plan to the public
 - Addressing NIMBYISM
 - Addressing Racial Equity
 - Review initiatives to ensure there are no unintended consequences or negative impacts to communities that are disenfranchised or have been historically disenfranchised communities (the lens piece)
 - Include specific recommendations to uplift racial equity in housing in the county

- Help non-profits build capacity: Identify land where building multi-family housing is achievable and where we can create a “building in a box.”
 - Ensure that some of the prep costs are covered by the bond funds.
 - Find developers who would build at a lower return since costs would be decreased.
- Ensure that the housing plan provides housing opportunities for different income levels in the workforce
- Facilitate home ownership for anyone who wants home ownership, but also recognize that **home ownership isn't the goal for everyone in PBC.**
- Clearly define how much funding is going towards workforce as opposed to affordable housing
- Determine how to allocate the funds
- Gap Financing
 - Recommend that PBC be more competitive in getting units by getting money up front (not at the end) for more leverage to ask for less SAIL. Florida Housing wants PBC to do more with their resources because the local community has put something in.

NOTE: The County has been providing local government match for SAIL applications for years.
 - The issue of leveraging to be competitive for available funds in the affordable housing arena is a critical one for Palm Beach County in order to win these tax credit awards through the state resource. *PBC has not been competitive like Broward and Miami Dade, who actually have these dedicated sources, which allows them to really be able to get a lion share of the units.*

Clarifications

- Definition of affordable housing: ≤60% of AMI
- Definition of workforce housing: 60%-140% of AMI
- The bond money is intended to be used for gap financing.
- The gap financing that is envisioned will typically come in at the end, not at the beginning.
(This may need to be revisited – see above.)

Discussion

- Is creating 20,000 units a viable goal in Palm Beach County? Should we consider areas like Indiantown or The Glades with a transportation system for workers in Palm Beach County?
 - Land and building costs are lower
 - The problem is jobs and transportation
 - Costs associated with providing services and to making it sustainable for people to live in the Western communities has been a big issue
 - Opinion: The closer to the coast and the closer to the services and resources, the better chances for success for the folks who have that kind of housing.
 - Transportation cost is now factored into affordability, so that cancels out cheaper land and any savings by building it remotely.
 - It is Palm Beach County's responsibility to have a commitment to making our communities accessible and affordable for all.
 - Consider the racial equity lens
 - It is difficult for single parent households to live far from their children's school

To Do: Leslie will email the housing plan outline and the four summaries to the steering committee.

- Add an implementation plan.
- **Adopting the plan is just the initial step** in the process of executing the housing plan - it does not create housing units. We have to persuade our governments to implement the recommendations.

INITIATIVES

- **Funding (changed from Financing):** Creation of a dedicated local source of gap funding (instead of gap financing, as every scenario can't be anticipated at this time) for housing production while optimizing the use of existing federal, state and local financial resources to increase the production of affordable and workforce housing
 - Primary financing tool is the bond issue
 - Include other financing tools: funding from other sources, leveraging opportunities
- **Planning/Regulatory Reform:** Eliminate planning and regulatory barriers in the County and in municipalities that limit density and restrict the production and rehabilitation of affordable and workforce housing
 - Increase density and allow residential use in areas where it is not allowed today, in the cities and the county to get more units in the ground than would be permitted under the current regulatory scheme.
 - Require code changes to density as well as remediation of land
- **Neighborhood Revitalization:** Stimulate workforce and affordable housing production and rehabilitation and promote investment in historically disinvested neighborhoods while minimizing existing resident displacement
 - Upgrade underserved neighborhoods to provide more housing, make the housing more livable, promote homeownership to the extent that we can
- **Community Development:** Actions taken in financing, planning/regulatory reform and neighborhood revitalization will be viewed through a racial equity lens to promote attainable housing and homeownership and minimize disparate impacts. Support of an annual appropriation to combat homelessness
 - It is more expensive to do community development and neighborhood revitalization than it is to provide gap financing for upper-level workforce housing.
 - There are neighborhoods and communities in PBC and surrounding cities that could be more livable and provide needed affordable and workforce housing.
 - Ensure that we're inclusive of a broad range of housing options (i.e., rentals), and building up so that people can access housing that is meaningful to them.
 - Determine how to ensure a balance of where workforce housing is located. (Some local governments are currently the only location for workforce housing for the majority of the county.)
 - Educate and enlist the support of elected officials about the importance of providing workforce housing in their community
 - Determine how to encourage acceptance of workforce housing in communities
 - Include recommendations for transit options, as transit is a huge component of the success of the housing plan

IPARC (Intergovernmental Plan Amendment Review Committee) Report – Anna Yeskey

- Has included elected officials in the topics discussed (sent out all recorded videos)
- December 10th meeting focus: Regulatory reform strategies; determine if local governments are on board
- January 28th meeting focus: Conversation with elected officials

Need more specific Action items and recommendations to present to the decision makers.

Recommendations

- Add the “where” questions after we agree on the current situation and targets. This will help inform the “where to put the housing” in the future.
- Need to include specific, measurable goals - ambitious as opposed to achievable, time-constrained.

Q: If impact fees were eliminated, would the cost of housing go down?

A: It depends on what is required in exchange. The county now takes the interest earnings on money sitting in the various county impact fee funds, and they make a percentage of that money available to pay impact fees. In exchange for that, sales price would be limited, the rent you could charge would be limited, and you would have a deed restriction that would be in place. If you were going to waive impact fees, you would get something in return to make sure that the development you're waiving the fees for would go to provide affordable or workforce housing. The answer is no, because we would not be addressing the basic equation of supply and demand.

The cost of housing would decrease for programs that are specifically managed to be affordable (when you have constraints on sales prices or rentals of properties that are developed through a county program or through another municipal program). But until we address the basic fact that we are as a community, **not** supplying the amount of product that the market is demanding, we will not have more affordable housing in Palm Beach County. That can only be achieved by putting more units in the dirt.

Q: Where does the density belong?

Q: Do we have existing infrastructure in place in certain places?

If you build in an area that already has existing infrastructure by either redeveloping commercial as housing, as opposed to allowing sprawl to continue to occur, then we have better utilization of our existing infrastructure. There will still be costs to prepare the land and get it ready to be developed, etc.

Q: If you eliminate those costs, does it automatically mean that the cost of housing construction and being able to provide workforce housing becomes more likely?

A: As a condition to getting impact fees waived, the developer will need to agree to those things. That will not affect the price of a development where they're not having their impact fees waived. It will not cost less to build that development. In exchange for waiving the impact fees, the community will get reduced housing costs for those particular units. (A developer who develops a commercial area as residential may not need to pay a lot of impact fees because they were paid when the development was originally done.) If you do in infill development, homes may have been built without payment of impact fees, or a small impact fee because the house had already been on that lot.

Note: Belle Glade has had a lot of money spent on infrastructure improvements to accommodate more growth.

Note: The median house price is ~\$500,000, which means that half of the houses are less than \$500,000.

However, the homes below the median income are not the place employees want to live. That is an awful condemnation of Palm Beach County in terms of its policy towards housing today. We need new construction. Even if we could build 20,000 units, the housing problem would still not be solved.

Recommendation: Initiate a change that takes the lower portion of the homes that are in place and make them great. **(This would be a big lift.)**

Revitalized neighborhoods are considered to be good neighborhoods; they will become more integrated and gentrified. There are hundreds of thousands of houses that could fall into this category, and because they're already there, it probably takes less in terms of changing the laws and coming up with capital.

We need to encourage the people who live in the neighborhood to stay, while ensuring that the growth lifts the communities and allows Palm Beach County in large to grow together.

Encourage greater developer participation in programs where developers have to either put 10% aside for affordable housing or pay a certain amount of dollars. (Developers can provide additional workforce housing if

Commented [LM1]:

it doesn't result in them making less money than they would make if they didn't have to do it. Ex: if a developer is building a 100-unit development and is required to make ten of those workforce, the developer has the right to build enough additional units to make up the money that theoretically would have been lost on the workforce.

Recommend that cities expand the area to build affordable housing beyond the suburban tier of unincorporated areas.

Recommend that the county increase the maximum density that is now permitted.

Research the property appraiser website and enlist their help to see what properties are owned by the city. The county is looking at their surplus land again and we're trying to deal with it at the state level. The Commission on Affordable housing is redefining what is considered "appropriate" affordable housing.

Currently, entitlement cities have to provide a surplus lien list for SHIP. Palm Beach County West Palm Beach, Boynton Beach, Delray Beach and Boca Raton have to provide those lists of surplus lands to comply with the statutes. Recommend that this issue is pushed.

Skip thanked everyone for their ideas and participation.

Meetings

Next Steering Committee: Wednesday, December 8 9:00-10:30 a.m.

Focus: Goal, Vision, and Initiatives

Meeting Summaries will be sent and posted.

Next core group meeting: Monday, November 22 9:00-10:00 a.m.

Review Planning and Regulatory Reform.

To Do: Review the housing draft and give Suzanne Cabrera your suggestions.

Contact Suzanne Cabrera if you would like to participate on any of the four committees:

Finance, Community Development, Neighborhood Revitalization, Planning & Regulatory Reform