

Promoting Housing Development Programs

Initiative Summary Statement:

Support development, occupancy and maintenance of new affordable rental and attainable owner-occupied housing by creating policies and providing gap financial assistance to either developers or purchasers.

Initiative Description:

Objective: The dearth of affordable housing has been a long-standing critical issue throughout Lee County and the destruction of thousands of units by Hurricane Ian exacerbated the limited supply. Residents of low to moderate-income (LMI) status, who often live in older units not built to more resilient codes and are in hazardous areas, are particularly vulnerable and in need of affordable properties, both ownership and rental. The region is also known to have a higher-than-average elderly population and should take into consideration design requirements of aging in place and parameters of living on a fixed income. New developments should incorporate green building principles and resilience mitigation measures. In order to sustain and grow the economy, the County needs to support the replacement of housing stock lost due to the disaster as well as create new housing stock to meet both post-disaster recovery needs as well as the already existing housing crisis.

Need: Besides the need for housing units for the workforce and vulnerable populations, other factors like financing, project management, land use and natural resources must be addressed as they complicate programmatic solutions. Several local communities have used federal and local funds for maintenance programs typically targeted at low-income homeowners providing loans or grants, for code compliance and repair/replacement of systems (HVAC), roofing, fencing etc. Separate programs for landlords are also common. The typical requirement is a commitment to residing in the home, e.g., 5-yrs, or for landlords, maintaining the affordability of units. These efforts could be scaled up to meet the increased need since Hurricane Ian. Florida recently adopted the “Live Local Act” that provides additional financing for affordable housing as well as policy provisions expediting permitting for affordable housing projects. Units of County and local government are familiar with the combination and sources of funding, and any provision of additional funds is welcome. However, the complexity of structuring the combination of funding remains a challenge. Another option to explore would be a public-private partnership of a revolving loan model, to help cover the funding gap that affordable housing developers have preventing them from completing and closing projects. Historically, there are also land

management and zoning issues in the County that will need to be addressed, especially if new developments are to be located near economic centers. Additionally, natural resources issues such as conservation, environmentally sensitive conservation habitats, and water problems like storm surge and inundation are significant factors to consider. All these elements, along with labor and supply chain shortages, make for a very complex set of issues to consider when promoting housing development programs.

Regional Approach: Coordinating an effective response that empowers local communities to recover from a disaster according to their own plans and principles tends to produce better outcomes. At the local level policy, capital, and investments can be combined, revenues can be set aside for financing; land use policies created directing development to appropriately zoned sites; public investment in facilities and amenities can target areas desired for redevelopment; the permitting process streamlined; and political consensus developed to minimize opposition to growth and development. While many municipalities have housing development programs already in operation, some of these efforts may be strengthened by strategizing as a region and potentially consolidating resources and expertise. It is also a great opportunity incentivize the local private sector to participate as the lack of single-family home developers in affordable housing was a noted obstacle.

Impact: Encouraging the development and construction of affordable and attainable housing will increase the overall supply of housing. Incorporating higher-strength materials and construction techniques will increase resilience. These two approaches will help by reducing displacement from storm events, and efforts at directing the development of new housing near transit and employment hubs will assist in maintaining existing residents. Designing and developing housing units for the existing community of the County and considering existing demographics, household financial conditions and the service requirements of the vulnerable, as well as the access and functional needs population will go far in preventing displacement of the residents. Providing financial incentives to housing developers or purchasers to encourage them to build or buy in response to community-defined need for mixed income housing in accordance with requirements for sustainability, mitigation, and development goals will have long-term benefits for not only these households but the entire region as a whole.

Key Considerations:

- Expanding Homeownership Programs, Enhancing Housing Outreach and Exploring Mixed-Use Development Initiative should be considered companion initiatives.
- Linkage Fees and Impact Fees are tools that local governments use to generate revenue for affordable housing development.

- The Live Local Act which took effect on July 1, 2023, includes amendments to current law that provide incentives to developers constructing affordable and workforce housing.
- Evaluate available land and land use restrictions to ensure that place-based initiatives can be effectively implemented.
- Identify partners, methods, and funding to acquire, and develop affordable housing.
- There is concern in the community about gentrification and displacement of residents.
- Disasters create particular difficulties for those with functional and access needs. Programs should consider those needs explicitly so elements that meet those needs are included.
- The speed and scale of post-disaster housing repair and reconstruction in the region will need to surge construction labor.
- Identify business opportunities for small contractors.
- Consider opportunities to incentivize disaster resilience construction.
- Whenever possible connect property owners with wrap-around services to provide comprehensive disaster recovery solutions.
- Safe housing may also contribute to the health and wellbeing of its occupants.
- Consider requiring mixed-use development, incorporation of green building and energy efficiency standards, and disaster mitigation requirements.

Co-Sponsoring Branches:

Housing, Planning & Capacity, Infrastructure, Natural Resources, and Economic Recovery

Stakeholders:

- Housing Authorities
- State and Local Housing Coalitions
- County departmental experts in housing, planning, and economic development.
- Municipal departmental experts in housing, planning, and economic development.
- Housing Developers
- Nonprofit housing organizations

Potential Funding Sources:

- United States Department of Housing and Urban Development
- United States Department of Energy
- United States Department of Veterans Affairs
- United States Department of Agriculture
- United States Department of Health and Human Services

- Federal Emergency Management Agency
- United States Small Business Administration
- Corporation for National and Community Services
- Florida Housing Finance Corporation

Resources:

- [Hurricane Ian Housing Resources \(leegov.com\)](https://leegov.com/hurricane-ian-housing-resources)
- [Hurricane Recovery | Habitat of Lee & Hendry Counties, Inc. \(habitat4humanity.org\)](https://habitat4humanity.org/hurricane-recovery-lee-hendry-counties)
- [Lee County Final CDBG-DR Action Plan \(leegov.com\)](https://leegov.com/lee-county-final-cdbg-dr-action-plan)

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