



COMMISSION WORKSHOP



# HOUSING ATTAINABILITY FOR NORTH PORT



PLANNING/ZONING



ECONOMIC DEVELOPMENT



JUNE 6, 2022

- **Common Terms and Definitions**
- **Housing Spectrum**
- **Impacts of Attainable Housing**
- **North Port Incomes**
- **North Port Housing**
- **State and Federal Programs**
- **Alternative Housing Options**
- **Inclusionary Zoning**
- **Incentives**



- **AMI – Area Median Income**
- **Rent/Cost Burdened – Households paying more than 30% of their gross income on housing alone.**



- **ALICE – Asset Limited, Income Constrained, Employed**

- Asset Limited = residents above the poverty line but are usually one emergency away from financial crisis
- Income Constrained = income is too low for self-sufficiency
- Employed = members of household are working or have worked and receive retirement income

Source: United Way

Up to 38% of North Port residents



Affordable Housing in North Port, FL



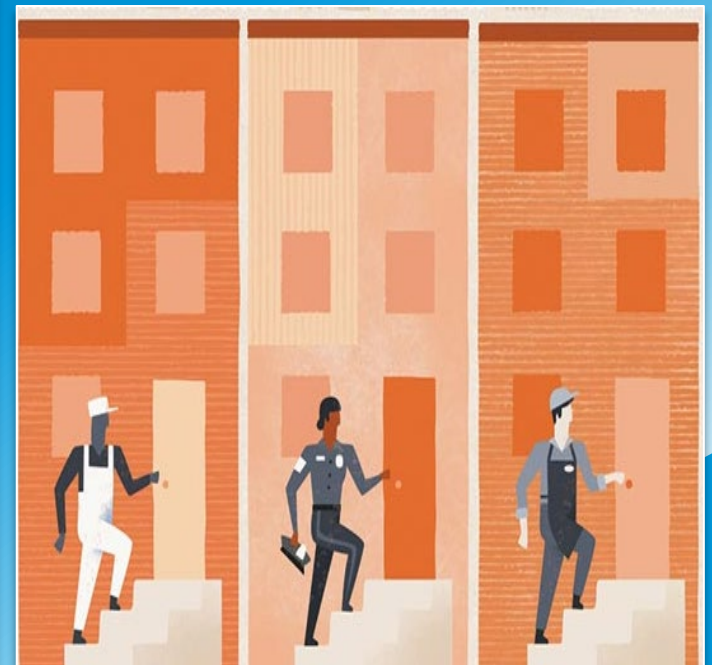
- **Affordable Housing (capital "A")**
  - Targeted to households earning 30 – 80% AMI
  - Created in partnership with State and/or Federal funding
- **“affordable” housing (lowercase “a”)**
  - May be rental or homeownership
  - General term used to describe housing that is reasonably priced in the context of a household's lifestyle and income
  - Typically no more than 30% of household income

**Affordable or affordable??**



- **Workforce Housing**

- May be homeownership or rental that is reasonably afforded by a moderate to middle income workforce (80 – 120% AMI)
- Located in acceptable proximity to employment centers



## • **Attainable Housing**

- Adequate in condition
- Appropriate in size
- Affordable / affordable
- Accessible to Services
- Available



**The more pieces missing,  
the more unstable housing  
becomes.**

# HOUSING SPECTRUM



- Workforce and Affordable housing exist within the same Attainable housing conversation
- Rising housing costs affect the full housing spectrum



- **Without access to attainable housing**
  - Poorer health outcomes
  - Less access to quality food
  - Emotional/mental health problems
  - Poorer performance in school
- **With access to attainable housing**
  - Able to afford better food and healthcare
  - Healthier and longer lifespans
  - Better school performance
  - Local purchasing power is increased





- **21.6%** of Sarasota County businesses see affordable housing as their biggest workforce concern (Sarasota County EDC)
- "The affordable housing crisis hits Sarasota-Manatee's biggest employers" - Herald Tribune, Sandra Amrhein
- "Lack of affordable housing adds pressure to business recruitment, retention" - Herald Tribune, Mary Dougherty
- "Housing affordability crisis will be 'drag' on Florida's economy, expert says" - Herald Tribune, Derek Gilliam





- **Average Home Price: \$372,500**
- **Average Apartment Rent Prices:**
  - **Studio: \$1,547**
  - **One Bedroom - \$1,751**
  - **Two Bedroom - \$2,065**
  - **Three Bedroom - \$2,425**



Affordable Housing in North Port, FL

- North Port-Sarasota-Bradenton: median rental increased by **81%** since 2020
- **Half** of all renters in Sarasota County are classified as "rent-burdened," spending more than **30%** of their income on rent.
- Minimum wage employees would need to work **~165 hours weekly** to afford rent without rent-burden
- **25%** of North Port residents are renters



Affordable Housing in North Port, FL

- Home sales prices increased over **60% since 2020**
- Sales prices increased **95% in last 5 years**
- North Port-Sarasota-Bradenton ranked in **Top 3** destinations in the country for relocations
- Median days on market is **6 days**
- **64%** of homes sell over list price





# TARGETED INDUSTRIES: AREA INCOMES

Occupation Category	Targeted Industry	Entry-Level Wage	Mean Wage
Food Preparation and Serving	Hospitality	19,700	29,000
Healthcare Support	Healthcare	24,200	33,600
Transportation and Material Moving	Logistics and Distribution	22,200	33,800
Service/Entertainment Occupations	Hospitality	21,000	34,600
Production	Manufacturing	24,700	38,100
Arts/Design/Entertainment/Sports/Media	Hospitality	25,000	52,100
Life/Physical/Social Sciences	Bio-Life Sciences	37,000	69,000
Business and Financial Operations	Fintech	36,900	73,900
Computer and Mathematical	Fintech/High-Tech	44,200	86,800
Healthcare Practitioners and Technical	Healthcare	40,900	87,000

Source: JobsEQ



# HIGHEST EMPLOYED INDUSTRY INCOMES



Occupation Category	Industry	Entry-Level Wage	Mean Wage
Food Preparation and Serving	Retail/Hospitality	19,700	29,000
Building/Groundskeeping/Maintenance	Various	22,100	31,700
Transportation and Material Moving	Logistics and Distribution	22,200	34,100
Office and Administrative Support	Various	26,200	39,400
Construction and Extraction	Construction	28,600	42,300
Sales and Related	Retail	21,600	42,600
Installation/Maintenance/Repair	Various	29,100	46,600
Educational Instruction and Library	Public Services	26,800	52,000
Business and Financial	Various	36,900	73,900
Management	Various	45,700	103,400

Source: JobsEQ



- North Port Family (2.68 persons)  
AMI: **\$64,543**
- North Port Individual  
AMI: **\$34,514**
- North Port Entry Level  
Salary: **\$31,935**
- North Port Average Senior  
Income: **\$53,802**



Affordable Housing in North Port, FL



# HOW MUCH INCOME IS NEEDED?

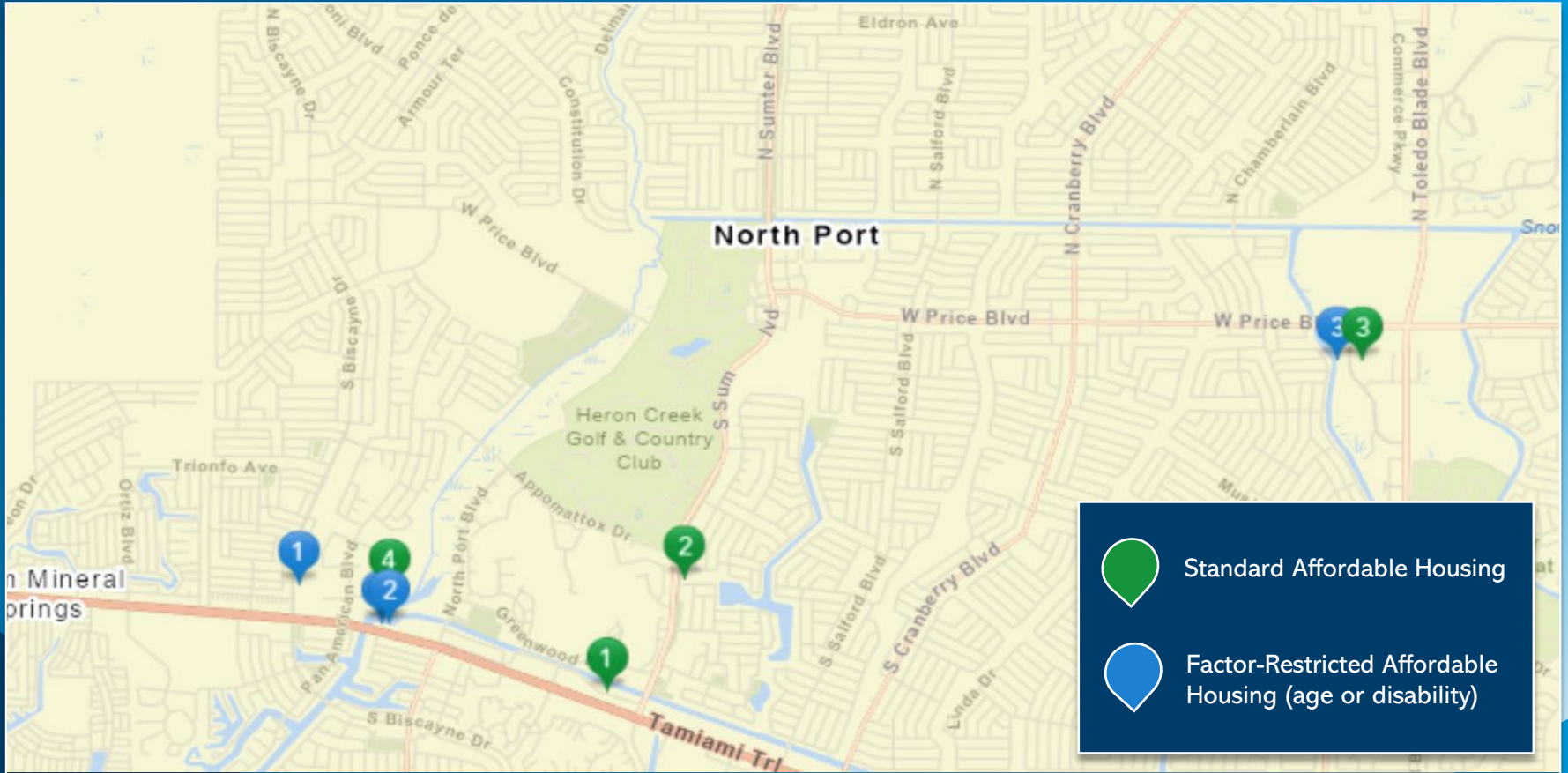


	Family AMI	Senior Income	Individual AMI	Entry Level Income
Average Home (~\$122,000 needed)	189%	227%	355%	384%
Studio Apartment (~\$61,000 needed)	95%	115%	179%	194%
One-Bedroom Apartment (~\$70,000 needed)	109%	130%	203%	219%
Two-Bedroom Apartment (~\$82,000 needed)	128%	154%	239%	259%
Three-Bedroom Apartment (~\$97,000 needed)	150%	180%	281%	304%



- **Current:** There are **7** housing developments that offer Affordable currently either planned or completed in North Port.
  - Average waitlist time is **~2 years**
  - 55+ Average waitlist time is **6 mo. - 1 yr.**
  - Monthly cost 1-bedroom (factor restricted) unit ~ **\$844** and 2-bedroom unit ~ **\$1001**
- **City Owned Lots:** The city owns **10** vacant residential lots designated for future construction of Affordable housing.

# CURRENT AFFORDABLE HOUSING



Click [here](#) to view the Online GIS Affordable Housing Map



# AFFORDABLE HOUSING SUMMARY



	Built/Active?	Factor Restricted?	Subsidy Expiration Year:	Bedrooms:
<b>Villas of North Port</b>	Y	Y	2043	34 one-bed, 4 two - bed
<b>Grande Courte</b>	Y	N	2055	35 one-bed, 60 two-bed, 32 three-bed
<b>Willow Creek</b>	Y	Y	2053	60 one-bed, 60 two-bed
<b>Willow Creek II</b>	Y	Y	2054	52 one-bed, 52 two-bed
<b>Victoria Pointe</b>	Y	N	2046	22 one-bedroom, 20 two-bedroom
<b>Palm Port</b>	N	N	2071	12 one-bed, 82 two-bed, 32 three-bed
<b>Arbor Park</b>	N	Y	2073	76 one-bed, 60 two-bed
<b>Waters</b>	N	N	N/A	288 units, beds unknown

- **Florida Housing Finance Corporation**
  - Created over 40 years ago
  - Administers the State Housing Initiatives Partnership (SHIP)
    - Local governments must have a robust affordable housing strategy to receive SHIP funds
- **The Sadowski Trust Fund**
  - State program established in 1991
  - Funding currently depleted

- **HOME Investment Partnerships Program (HOME)**
  - Provides formula grants to states and localities that communities use to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance.
  - City must match 25 cents of every dollar in program funds.
- **Community Development Block Grant (CDBG)**
  - Provides annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities.
  - May not be used to construct new housing.



- Typically 300 – 600 square feet
- Average cost \$30,000 to \$60,000
- Florida Building Code allows for alternative minimum room sizes and ceiling height
- May be on wheels or permanent foundation



Tiny Home on Wheels

# TINY HOMES – SINGLE FAMILY LOTS



## PROS

- Requires smaller lots
- Financing same as conventional construction when on permanent foundation.
- Provides opportunity to build equity/wealth

## CONS

- Transportation capacity analysis may be needed
- Property values may be inconsistent with surrounding development



# TINY HOMES – PARK



## PROS

- Units can be owned or rented
- Residents do not need to buy land
- May provide significantly more availability for lower-income housing

## CONS

- Homes value depreciates rather than appreciates
- Residents must rent space
- Transportation capacity
- Potential to be transitory

- Built from shipping containers
- Approved construction method per Florida Building Code
- Can vary from 160 square feet and up based on size and number of containers
- Easily expandable to meet changing needs
- Average cost in Southwest Florida is \$35,000 to \$52,000



Shipping Container Home

# ALTERNATIVE HOUSING: CONTAINER HOMES



## PROS

- Can withstand 150+ mph winds when secured properly
- Financing same as conventional construction when on permanent foundation
- Opportunity to build equity/wealth

## CONS

- May not be aesthetically consistent with neighboring homes



- Homes with two units of roughly equal size
- Each side may be under same ownership or separate ownership
- Currently only allowed in the Residential Two-Family Zoning District



Duplex Home

# ALTERNATIVE HOUSING: DUPLEX HOMES



## PROS

- Allows for income generation
- Utilities could be easily provided in areas with Public water/sewer
- Could spur reinvestment into older areas through conversion and remodel of existing homes

## CONS

- Parking

- Typically 800 to 1,200 square feet
- Built in close proximity or connecting to each other
- Small lots around shared space
- Often no minimum lot size
- Parking provided in shared parking areas



Cluster Housing

# ALTERNATIVE HOUSING: COTTAGE/CLUSTER HOMES



## PROS

- Financing same as conventional construction when on permanent foundation
- Opportunity to build equity/wealth
- Shared recreational/open space can promote community atmosphere

## CONS

- Transportation capacity



- May be built by converting existing space, adding to main home, or a new detached structure
- Typically limited to a maximum square footage (ex. 650 sf) or percentage of the main home

## Types of ADUs



**Detached ADU:** Transform your backyard with a brand new unit



**Attached ADU:** Create a new unit attached to the main house



**Conversion:** Convert an existing garage, basement or bedroom

Types of Accessory Dwelling Units

# ALTERNATIVE HOUSING: ACCESSORY DWELLING UNITS



## PROS

- Allows homeowner to receive income on their property
- Can provide independent living space for grown children or elderly parents
- Increased property value

## CONS

- Parking
- Rented unit may reduce Homestead Exemption



# ADU – Jurisdictional Comparison



	North Port	Sarasota County	City of Sarasota
Can be rented	N	Y	Y
Size	650 sf min 899 sf max	750 sf max	650 sf Max
Allowed in all SF Districts	Y, but only on lots 20,000 sf min	Y (except barrier islands)	Y (except barrier islands)
Requires AMI limits	N/A	Y – 120% AMI	Y – 120% AMI

# INCLUSIONARY ZONING

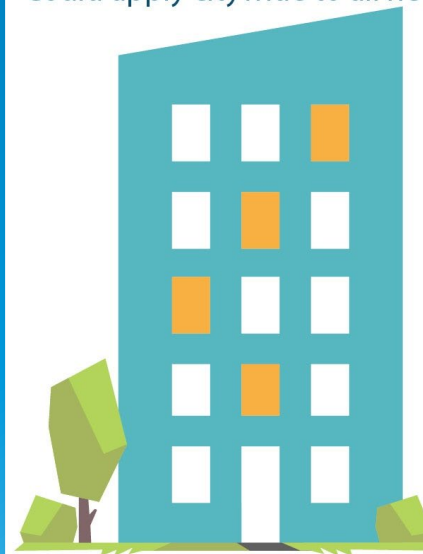
- Requirement for market-rate developers to also develop some units that are affordable to low-and moderate-income households.
- Florida Statutes require incentives be provided to offset any negative financial impact to these developers.



- ULDC would require development of some units that are available to those making a certain AMI (for example, 60 – 100% AMI)
- Could be limited to new residential development in specific zoning districts or geographic areas

## Inclusionary Housing

Could apply citywide to all new residential development



New housing development



Some units must be affordable



The remaining units are market rate



- Florida Statutes require incentives be provided to offset any negative financial impact to developers required to comply with inclusionary zoning.

## Incentive Zoning



- Density Bonuses
- Tax Abatement
- Parking Reduction
- Lot Regulations
- Expedited Permitting
- Fee Waivers/Reductions
- City-Wide Discount Credits
- Lot Foreclosure Program
- ADU Rebate
- ADU Property Tax Assessment Omission



# SARASOTA COUNTY INCENTIVES

- **Allows accessory dwelling rental units (ADU) in residential areas**
- **Density bonuses and fee reductions for units less than 750 square feet**
- **Area-specific density bonuses**
- **Expedited Permitting for affordable housing**
- **County-owned surplus properties may be sold for affordable housing development (Currently three properties)**

# DENSITY BONUSES

Increase the maximum allowable development on a site in exchange for in-kind construction of affordable and/or workforce housing.

## PROS

- Easily implemented
- Can result in significant increase in affordable or workforce housing

## CONS

- Crowding of units



# PARKING REDUCTIONS

Allowing developers to construct more affordable and/or workforce units at the expense of some of the required parking spaces.

## PROS

- Very easy to implement/enforce
- Positive environmental impacts by reducing impervious coverage

## CONS

- Available parking may be limited

# LOT REGULATIONS

Allowing relief to residential lot regulations to enable developers to maximize the use of land by reducing minimum lot sizes, required setbacks, increasing allowable lot coverage, etc.

## PROS

- Very easy to implement/enforce
- Could spur investment

## CONS

- Measures would need to be developed and implemented to address any compatibility concerns

Low-income housing can be exempt from taxes, including property taxes. This is oftentimes used for either developer incentives and/or an incentive to rehabilitate existing affordable housing.

## PROS

- Easily implemented
- Directly addresses monetary concerns from developers

## CONS

- Potential reduction in City revenue

# FEE WAIVERS/REDUCTIONS

Waives or reduces fees such as impact fees and permit processing fees.

## PROS

- Easily implemented
- Addresses upfront costs developers typically incur at risk to themselves prior to approval of project

## CONS

- Potential reduction in City revenue
- Cannot be used for building permit and inspection fees





# CITY-WIDE DISCOUNT CREDITS

Discount credits would be issued to developers or developments which provide affordable housing.

## PROS

- Can be applied to the cost of City services, such as utilities
- Decreases cost of developing affordable housing

## CONS

- Potential reduction in City revenue



# ADU REBATE PROGRAM

The city may offer a cash rebate to homeowners who construct approved accessory dwelling units on their property. An additional or greater cash rebate may be offered if the ADU is rented to those making below a certain AMI.

## PROS

- Could significantly contribute to providing attainable housing
- Provides income for homeowners
- Helps cover upfront cost

## CONS

- Would require significant funding stream to establish and maintain program



# ADU PROPERTY TAX ASSESSMENT OMISSION

The city may offer to omit the value of an accessory dwelling unit when assessing the value of a property for tax purposes if the ADU is rented out at an affordable rate.

## PROS

- Would encourage the construction of ADUs in order to offset property taxes
- Incentivizes ADUs to be affordable

## CONS

- Potential reduction in tax revenue



# CITY LOT FORECLOSURE BANK

When the city forecloses on lots, they would be placed into a bank to use as affordable housing within North Port.

## PROS

- Combats blight of foreclosed properties

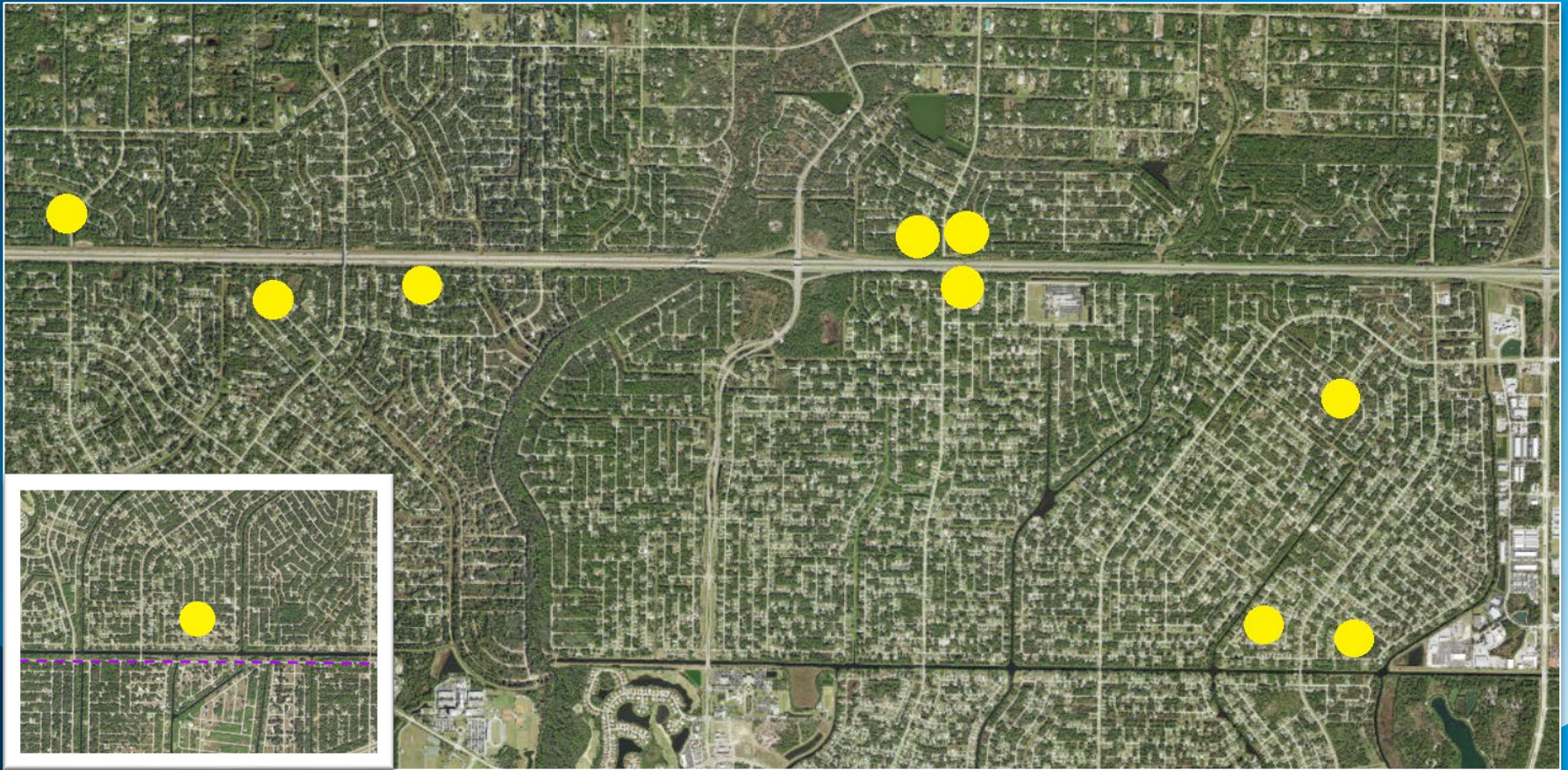
## CONS

- Lots would be unavailable to sell for revenue or trade for other City needs





# CITY OWNED LOTS FOR AFFORDABLE HOUSING



Click [here](#) to view the Online City-Owned Property Map

The City could establish a land bank to purchase land for construction of affordable housing.

## PROS

- Removes a significant fiscal barrier to constructing affordable housing
- Could require long-term (50+ year) affordability

## CONS

- Would require dedicated funding stream to establish program



## • Commercial Linkage Fee

- Allows businesses to expand their buildings beyond what would normally be allowed.
- They are then charged a fee according to the added square footage.
- Would provide revenue to fund affordable housing initiatives while at the same time providing a benefit to commercial businesses.



- Staff recommends development of draft policies and regulations for City Commission consideration to allow alternate housing options. Is there consensus from the City Commission to move forward for any of these housing options?
  - Tiny Homes
    - Single-Family Lots
    - Parks
  - Container Homes with Exterior Finishes
  - Cottage/Cluster Development
  - Accessory Dwelling Units



## CONSIDERATION POINT: INCLUSIONARY ZONING

- Staff recommends development of inclusionary zoning policies and regulations for City Commission consideration, with limitations on where it would be applicable. Is there consensus from the City Commission to move forward?



- Staff recommends development of draft housing incentive policies and regulations for City Commission consideration. Is there consensus from the City Commission to move forward on any of the housing incentive options?
  - Density Bonuses
  - Tax Abatement
  - Parking Reduction
  - Lot Regulation
  - Expedited Permitting
  - Fee Waivers/Reductions
  - City-Wide Discount Credits
  - ADU Property Tax

- Staff recommends development of draft lot and land bank policies for City Commission consideration. Is there consensus from the City Commission to move forward?
  - Lot Foreclosure Bank
  - Land Acquisition Bank



## CONSIDERATION POINT: HOUSING FUNDING

- Staff recommends development of draft policies for City Commission consideration for a Commercial Linkage Fee. Is there consensus from the City Commission to move forward?