

2024 Update of Local Housing Incentive Strategies

AHAC Meeting #1 | September 10, 2024 | 9:00 a.m.

Clearwater Main Library (100 N. Osceola Ave., Clearwater, FL 33755)

MEETING SUMMARY

The City of Clearwater requested that Wade Trim facilitate an update of the City’s Local Housing Incentive Strategies (LHIS) report, which was last updated in 2023. An 11-member Affordable Housing Advisory Committee (AHAC) representing various affordable housing interests was appointed by the City Council on August 15, 2024 (Resolution #24-11), to evaluate and update the 2023 LHIS report. The first meeting of the AHAC was held on September 10, 2024, at the Clearwater Main Library (100 N. Osceola Ave., Clearwater, FL 33755). Eight (8) AHAC members, City staff, and the City’s consultant attended the meeting:

- Robyn Fiel (Chair) Representative of the banking or mortgage industry in connection with affordable housing
- Linda Byars A citizen who resides within the City of Clearwater
- Christine Bond An advocate for low-income persons in connection with affordable housing
- Charessa Doty Representative of a not-for-profit provider of affordable housing
- David Harder Representative of those areas of labor engaged in home building in connection with affordable housing
- Michael Boutzoukas Serves on the City of Clearwater’s local planning agency (Community Development Board)
- Cheri DeBlaere Representative of essential services personnel
- Mike Mannino A locally elected official (City Councilmember)
- Dylan Mayeux City of Clearwater, Economic Develop. & Housing, Real Estate Coordinator II
- Terry Malcolm-Smith City of Clearwater, Economic Develop. & Housing, Program Admin.
- Gina Clayton City of Clearwater, Planning & Development, Director
- Amanda Warner Wade Trim, Planner (City’s Consultant)
- Connor Baird Wade Trim, Planner (City’s Consultant)

One (1) AHAC member attended as an observer: Rick Vail (Representative of the residential home building industry). Two (2) AHAC members were not in attendance: Camille Hebtng (Representative of employers within the City of Clearwater) and Lindsay Dicus-Harrison (Representative of those who are actively engaged as a real estate professional in connection with affordable housing).

The purpose of the first AHAC meeting was to educate the new committee about the City’s existing LHIS report, review its values, principles and vision, as well as identify current barriers and potential incentives related to the facilitation of affordable housing in the City of Clearwater. The first AHAC meeting was publicly advertised on the City’s website, held in-person with opportunity for public comment, and recorded for later viewing on the City’s website.

Welcome and Introductions

AHAC Chair, Robyn Fiel, called the meeting to order and introduced the Consultant (Amanda Warner, Wade Trim). Each committee member then introduced themselves. The Consultant explained the purpose of the meeting and provided an overview of the agenda for the meeting, to include a presentation and facilitated committee discussion.

Summary of Presentation to AHAC

The Consultant presented an overview of the LHS update process, including the history and duties of the AHAC, meeting requirements, schedule of events toward approval/submittal, definitions of affordable housing, implications of the State's Live Local Act, and components of the LHS report. The overview was presented in Microsoft PowerPoint format. The overall schedule of events presented to the AHAC included:

- Early August – City designates staff and selects AHAC members
- August 15, 2024 – City Council appoints members to AHAC
- September 10, October 8, and November 12, 2024 – AHAC meets to update LHS report
- December 3, 2024 – AHAC holds public hearing to approve updated LHS report
- December 5 or 19, 2024 – City Council holds public hearing to approve updated LHS report for submittal to Florida Housing Finance Corporation (FHFC)
- December 31, 2024 – Deadline to submit LHS report to FHFC
- March 31, 2025 – City Council to adopt amendments to LHAP to incorporate LHS
- May 2, 2025 – Submit amended LHAP with proof of City Council approval to FHFC

The Consultant presented the value statements of the 2023 LHS report and invited feedback from the AHAC members on whether the values still resonate with current affordable housing issues in the City of Clearwater. The AHAC confirmed that all values in the 2023 LHS report are still relevant to affordable housing in the City of Clearwater. These values will be continued in the 2024 LHS report.

The Consultant presented the principles of the 2023 LHS report and invited feedback from the AHAC members on whether the principles still resonate with current affordable housing issues in the City of Clearwater. The AHAC made no changes to the principles. These principles will be continued in the 2024 LHS report.

The Consultant presented the vision statement of the 2023 LHS report and invited feedback from the AHAC members on whether the vision still resonates with current affordable housing issues in the City of Clearwater. The AHAC made no changes to the vision statement. This vision statement will be continued in the 2024 LHS report.

Committee Discussion

During the meeting, AHAC members were asked to discuss any perceived barriers to affordable housing that presently exist, as well as potential incentives to reduce these barriers. Members were asked to consider barriers and incentives with regard to City programs/procedures, the City's Comprehensive Plan, and the City's Community Development Code. The following provides a summary of the committee's discussion of current issues affecting the provision of affordable housing in the City of Clearwater.

Renter Cost Burden, High Cost of Rent/Utilities, and Transportation-Related Issues (Barrier)

The AHAC discussed financial barriers to affordable housing, particularly for rental housing. The high cost of rent and utilities is leaving no option for living within the City of Clearwater. When faced with eviction, there is no affordable housing available within the City. Low wages combined with the lack of affordable housing, are forcing students and workforce households far outside of the City. This, in turn, creates transportation-related issues with limited availability and access via bus/transit systems to school and employment. Renters struggle to find functional transportation options between school or work in the City and distant affordable housing. Although there are good jobs in the City, there is no available affordable housing for the workforce. This effectively results in

“brain drain” when students offered employment upon graduation cannot afford to live in the City once they graduate.

Rising Interest Rates and Insurance Costs for Homeownership (Barrier)

High interest rates are affecting homeownership. This barrier is compounded by high (excessive) closing costs, inspection and processing fees, and insurance premiums. There is a need to reduce these costs for homebuyers. A potential incentive could be an interest rate buydown or other down payment assistance strategy.

Although housing costs (rent, mortgage, insurance, etc.) continue to increase, salaries and wages have not kept pace at the same rate. The AHAC discussed the possibility of a real estate tax reduction on rental properties to reduce the cost of rent, insurance, and maintenance. A reevaluation of how taxes are assessed could be considered.

The affordability gap between the buyer’s mortgage ability and down payment assistance is not reaching the sales price of homes. This was identified as a major barrier to affordability. The AHAC discussed supplementing programs, for example taking the equity in a home and using a third-mortgage due on sale to cover the gap. The committee acknowledged certain issues with that approach, including non-conforming mortgages and industry acceptance. The barrier of what families can afford based on their income compared to what homes cost is the most critical problem to solve. The AHAC noted that everyone is waiting on the Federal government announce interest rates, which could change the dynamic but not likely. How residents’ buying power is maximized is critical to moving families into homeownership. It was discussed that addressing the affordability gap should be a priority of the AHAC.

Lack of Affordable Housing for Senior Citizens (Barrier)

Cost burden is also impacting senior citizens that rely on social security and fixed incomes. For example, when they receive these limited funds, they will often use those funds to stay in hotels temporarily (often sharing a room) and then end up back on the street. Although senior citizens have some income, due to their age and age-related disabilities, they are unemployable and there are no alternative affordable housing options available to them.

Investor Real Estate Competition (Barrier)

The AHAC discussed investor-driven residential real estate as a barrier to affordable housing. It was noted that large investors take affordable housing off the market, drive-up costs, and compete with residents and affordable housing developers to buy properties. For example, build-to-rent properties (e.g., single-family) are driving up rental costs. Due to Pinellas County’s limited land and housing inventory, these investors take up a larger share of the residential market when compared to other counties in the region.

Condominium Assessments (Barrier)

The milestone assessments in response to the Surfside condominium collapse may triple or quadruple the housing costs for older residents who have lived in their condominium a long time. These residents may not be able to continue to afford to live in their condominiums due to such repair assessments. For older buildings, the assessments for repair costs will make them unaffordable to many. This may also negatively affect the inventory of affordable housing, as the condominiums must sell at higher prices to offset the assessment costs. The ability to mortgage those units may be affected by the reserve requirements/regulatory standards that lenders will be considering. Incentivizing new condominium development in the City of Clearwater was discussed to offset the issue of condominium assessments affecting older buildings and their residents.

Accessory Dwelling Units/Rental Rebate Program (Incentive)

The committee discussed incentives for construction or rehabilitation of accessory dwelling units, such as rebates up to a certain dollar amount to assist the supply of affordable housing, with a lease agreement that meets HUD’s affordability requirements.

Density (Incentive)

The AHAC discussed looking at density in the City of Clearwater as an incentive. The committee discussed working within the City’s zoning code [Community Development Code] to incentivize reasonable higher density so that more units can be put on the market. The committee discussed the North Greenwood neighborhood and how a more current zoning strategy for certain neighborhoods is needed to match residents’ needs with housing opportunities. For example, developing vertically and allowing multi-unit buildings on current lots. The committee discussed coordination with the Planning & Development Department regarding a zoning strategy.

Education/Marketing (Incentive)

The AHAC discussed the importance of education regarding the City’s programs, such as down payment assistance, housing rehabilitation, etc. to make homes safer and more insurable. The importance of roof replacement was discussed. Such marketing could include television, housing fairs, marketing brochures, posters in libraries, flyers, etc. The committee also emphasized educating the city as a whole, not just the City’s CRAs and target areas (e.g., North Greenwood, etc.).

Public Comment

AHAC Chair, Robyn Fiel, invited public comment and asked if anyone was there to speak publicly.

Kathleen Beckman, Clearwater resident, member of Clearwater Alliance for Housing, and Chair of the Continuum of Care, requested to speak publicly during the AHAC meeting. Ms. Beckman thanked the committee and suggested the AHAC review the City’s Housing Study as presented to the City Council earlier in the year. She also suggested that City staff develop a “one-pager” summary of that study. As committee members do their “homework”, she suggested the AHAC ask for data regarding what strategies are successful and what strategies are not working. She asked committee members to understand the City’s measurable goals, and how the strategies should be tailored to those goals. Ms. Beckman mentioned Community Land Trusts, issues of developer flexibility and incentivization, and coordination with other regional AHACs. She also encouraged committee members to join the Continuum of Care to advocate for affordable housing.

Next Steps

After the committee discussion and before public comment, the Consultant referenced the 2023 LHIS report that was previously completed by the City. The Consultant requested that AHAC members review the 2023 LHIS report as to whether past recommendations should be continued, modified, or removed as part of the 2024 update.

AHAC Chair, Robyn Fiel, adjourned the first AHAC meeting.

The second AHAC meeting will be held on October 8, 2024, at 9:00 a.m., in the Clearwater Main Library. During the second AHAC meeting, City staff and the Consultant will respond to questions generated during the first AHAC meeting or through review of the City’s current practices, and then facilitate AHAC discussion of critical recommendations for inclusion in the 2024 LHIS report. If any AHAC members will be absent on October 8, 2024, questions or comments should be submitted directly to Dylan Mayeux in advance.

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The AHAC is a public advisory board and is subject to Florida’s “Sunshine Law” therefore committee members may not discuss AHAC matters with other committee members outside of a properly noticed and recorded public meeting. AHAC members are encouraged to contact City staff directly to discuss AHAC matters.