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BOARDROOM REPORT

News from recent REIS board meetings

Luncheon Programs: Lt. Governor Jeff Kottkamp will address REIS on August 14th and is expected to discuss property insurance and tax relief as well as growth management.

The September meeting will feature a program on Panther protection efforts and mitigation tools, presented by US Fish & Wildlife Service.

Education: Eric Lahaie is planning a half-day program for later in the year. Details to be announced.

Development Process Workshop: on Sept. 18 there will be a half-day workshop on zoning and development permitting process. Speakers include Stephanie Keyes, Mary Gibbs, and Ron Inge. Only one sponsorship opportunity remains available. Contact Bill Burdette for details: (239) 936-1404.

Seminar on Future Trends: REIS to present a program by national futurist Chris Lee in October. Morning seminar to be followed by lunch. Details to come.

Annual Social Event: REIS will return to the Heitman House on the river in downtown Fort Myers for our annual social event, scheduled for Nov. 8. Co-chairs Kim Donnelly and Cody Vaughan-Birch plan a live band and an epicurean tour of the world. Stay tuned for details.

Regulatory Issues: Final public hearing on Lee County Land Development Code amendments, including bonus housing density and mandatory water/sewer issues to be 5pm August 14th.

Now Accepting Credit Cards: REIS now accepts VISA and MasterCard payments for luncheons and events. Option is currently available with phone reservations and will soon be available for online reservations. Credit cards will not be accepted at the door.

REIS MEMBER PROFILE: Mike Moss

Mike is Vice President of First Bank in Fort Myers. Mike joined First Bank 18 months ago after serving as a credit analyst and commercial lender at Regions and SouthTrust banks in Birmingham, Alabama.

Mike grew up in Centreville, Alabama on a farm located about 45 miles west of Birmingham. "In Centreville, there really wasn't much to do, except work and workout in the weight room. We only had one restaurant and no movie theater. Thankfully, my dad was the athletic director and head football coach at the high school, so at least I had unlimited access to the weight room. However, looking back on my upbringing I would not change it for the world. I was working in the fields at age 13 through my senior year in high school. The life lessons I learned in my childhood are beyond measure as it taught me the value of hard work and helping others, appreciation for the dollar, and time management and discipline in the classroom."

Mike graduated from the University of Alabama and brings his southern hospitality and hard work ethic to Southwest Florida. "I really work hard for my customers trying to service all of their commercial banking needs".

First Bank is a small community bank founded in 1922 and is focused on the needs of local customers in Lee and Hendry Counties. "Big banks have their place in the market, but I prefer to be part of a small community bank capable of making quick local decisions that best serve the customer's needs. Prospective borrowers typically ask, 'Who are the decision makers?' I can answer that by saying "two other members of Senior Management and MYSELF."

Mike is married to his wife Lisa Wynn Moss. Mrs. Moss was raised in the SW FL area and graduated from North Fort Myers High. Mike and Lisa stay busy by running 20-25 miles weekly, biking 40-60 miles per week, and playing tennis.

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UNDERSTANDING AFFORDABILITY

By Sharon Jenkins-Owen, AICP

The terms Affordable Housing, Community Housing, and Workforce Housing have been used interchangeably around the State causing confusion among practitioners, homebuyers and citizens. Innumerable groups have formed to wrestle with the topic of housing affordability to include preserving the existing housing stock as well as mandating that workforce housing be required as a condition of rezoning. This has become a crisis in many parts of the State due to flat wages and the sharp rise in land values. The purpose of this article is to provide a general overview of affordable housing to better equip readers in addressing affordability in their communities.

Affordable Housing is defined by Florida Statutes 420.004. (3). "Affordable" means that monthly rents or monthly mortgage payments, including taxes, insurance, and utilities, do not exceed 30 percent of that amount which represents the percentage of the median adjusted gross annual income for the households..."

Affordable Housing is based on HUD median household income for a Metropolitan Statistical Area (MSA). The median household incomes vary from County to County. For example, the HUD median household income in Collier County is \$63,900 (2007 Naples MSA) and the HUD median household income for Lee County is \$54,700 (2007 MSA data).

Very Low Income is less than 50% of the HUD median household income;
 Low Income is 50 to 80% of the HUD median household income; and
 Moderate Income is 80 to 120% of the HUD median household income.

AFFORDABILITY

HUD median family income tends to change over time, so the price of an affordable single-family home/rental has a corresponding change. Unlike the previous few years where wages increased, family incomes decreased \$1,300 in Lee County and \$2,200 in Collier County.

Using the East Central Florida Regional Planning Council's methodology, the project demand is based on employment generation and anticipated household wages that are then statistically distributed to obtain the anticipated incomes within the Very Low, Low and Moderate Income levels. The numbers per workers per household, utilities, taxes and insurance are also considered. For those of you who use the ECFRPC model for Development of Regional Impact purposes, one of the controversies is whether higher end residential uses should also be considered when calculating impacts.

The following tables use the East Central Florida Regional Planning Council's methodology to provide a 2007 snapshot of affordability.

LEE COUNTY*

Designation	Median Family Income	House Price 7% Mortgage 5% Down	Monthly Rent
Very Low Income	Under \$27,350	Under \$93,180	Under \$589
Low Income	\$27,350 to \$43,759	\$93,181 to \$153,539	\$590 to \$970
Moderate Income	\$43,760 to \$65,640	\$153,540 to \$233,673	\$971 to \$1,477

* Based on 2007 HUD MFI, Family of Four and ECFRPC Affordability Methodology

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SHIP

State Housing Initiative Partnership Program (SHIP) is a funding source that provides local governments funding from the State for affordable housing. Moneys are collected from a portion of the documentary tax revenues (Sadowski Trust fund) and administered by the Florida Housing Finance Corporation. The monies collected by the Sadowski Affordable Housing Trust Fund is subject to the legislative budgeting and has not been fully funded over the last few years exacerbating the availability of affordable housing funds for qualifying home renovations and down payment assistance.

It is extremely important to realize that the affordability numbers above are generalized based on a family of four. To qualify for SHIP dollars, the number of persons per household is instrumental in determining affordability. Please contact your local Community Housing Director for specifics.

COST BURDENED HOUSEHOLDS

The simplified affordable housing information above does not take into account debt that the prospective homebuyer carries. Many families are "cost-burdened" and may not be able to qualify for a mortgage. There are a number of credit and educational programs available that the local Community Housing Director can assist you with.

WORKFORCE HOUSING/COMMUNITY HOUSING

Workforce Housing is a common term, which is undefined by state regulations. Some use the term to avoid the stigma of the word "affordable" and to offset NIMBYism (Not in my Back Yard).

In that instance, the affordable housing parameters discussed above would apply.

Others define Workforce Housing to include family income ranges that are higher than the moderate income discussed above. The challenge is to provide housing for the workforce that includes all levels of income ranges.

Collier County adopted new regulations that change the affordability levels and add two (2) new categories: Workforce Housing and Gap Housing.

Very Low Income is less than 50% of the HUD median household income;

Low Income is 51% to 60% of the HUD median household income;

Workforce Housing is 61% to 80% of the HUD median household income; and

Gap Housing is 81% to 150% of the HUD median household income.

The Collier County Gap Housing regulation provides "housing for households falling above the federal and state assistance guidelines, but still unable to afford market-priced homes."

DEFINING AFFORDABILITY

Local Affordable Housing Committees, task force groups, and non-profit organizations are seeking solutions to the affordable housing challenge and how to address the unmet needs in their communities. Similar to Collier County, local governments are adopting solutions including Inclusionary zoning (Tallahassee) and linkage fees (Winter Park). Lee County has hired a consultant to explore a number of options including: new methodology for DRI review that could potentially be used for comprehensive plan amendments and rezonings; linkage fees, inclusionary housing, and a dedicated local funding source for affordable/workforce housing." The Study is slated to go before the Board of County Commissioners within the next few months.

COMMUNITY LAND TRUSTS (CLTs)

A number of Counties around the State, including Sarasota, Lee, and Collier Counties, are protecting the future affordable housing stock by forming and funding CLTs. Simply stated, CLT's are non-profit organizations that can be used for single-family and multi-family developments. The CLT retains an ownership interest in the land to control the cost at time of resale. CLTs retain ownership of land and provide a long-term land lease to the homebuyer. A formula for resale/equity is provided with the original sale. When the property is resold years later, the owner gets a percentage of the earned equity that accrued during the years the owner lived in the house. The owner receives a modest return on the house investment. The cost to the new homeowner is still "affordable."

CONCLUSION

A steady supply of affordable housing is important. It ensures that workers can live reasonably close to their place of work and that services can continue to be provided by residents living within the region. Providing adequate affordable housing reduces traffic and the wait time for service needs, and ultimately improves the quality of life for the community.

COMING IN THE AUGUST ISSUE:

**The Affordable Housing Toolbox:
Community Land Trusts"**