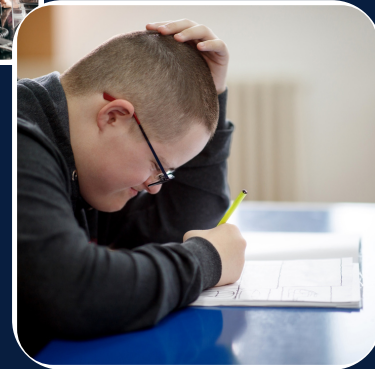


# HOUSING BROWARD:

## 10-Year Affordable Housing Master Plan

*Leading the Challenge, Sharing the Burden*



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# Executive Summary

*Housing Broward: 10-Year Affordable Housing Master Plan* (hereinafter referred to as the “Master Plan”) provides a critical policy framework for addressing Broward County’s housing affordability crisis. The Master Plan’s theme, “leading the challenge and sharing the burden” is intended to highlight the urgency of the affordable housing crisis and to sound a “call for action” to all 31 municipalities, leading industry sectors, lenders, and institutions to play key roles in addressing Broward’s affordable housing needs now and for the foreseeable future. Broward County’s affordable housing state of urgency must be grounded on the following understandings:

1. Each municipality has a “resident workforce” composed of working families and households whose mobility, opportunities, and quality of life are integral to the economic strength and character of each community;
2. Existing federal and state housing programs are, alone, insufficient in addressing the housing affordability needs of each municipality;
3. An effective and sustainable response to worker housing needs requires policies developed and implemented at the municipal and county levels of government;
4. There is a lack of coordination and integration in the administration of federal and state housing programs and important government layers that control or influence the delivery of affordable housing, including land use, zoning, and permitting;
5. Local affordable housing policies and programs must be performance-driven.

The Master Plan builds on the *2022 Broward County Affordable Housing Needs Assessment* that captured the dynamics of a worsening affordable housing crisis in Broward County that became more pervasive following the COVID pandemic. The Needs Assessment measured the level of affordable housing demand and distress in the county, including all 31 municipalities, and provided an understanding of how critical housing affordability is to the economic well-being and quality of life of Broward County’s residents, businesses, and institutions.

Since the completion and rollout of the Needs Assessment, Broward County’s affordable housing crisis has worsened. Home prices and rents have continued to increase while affordable housing production has not kept pace with growing demand. Most of Broward’s municipalities experienced 60+ percent increases in median and average sale prices from 2020-2023 and current average rents have soared creating large monthly affordability gaps for renter households which has further widened rental housing demand/supply gaps in most municipalities.

The scope and scale of Broward County’s housing affordability crisis is unprecedented. Further, the dynamics driving housing affordability in Broward County have been moving in the wrong direction and contrary to a sustainable housing market and economic well-being. Housing prices and rents have increased extraordinarily faster than wages in an economy with slow higher-wage job creation and a housing market where rapid appreciation permanently removes more units each year and produces far too little.

To address the magnitude of Broward County’s housing affordability crisis, the Master Plan provides the bold and innovative short- and long-term policy and program strategies that are necessary. The Master Plan focuses on three primary areas, 1) project funding, 2) densification, and 3) program and regulatory options and incentives.

### **Project Funding**

Broward County is well-positioned to advance bold and innovative projects and program funding strategies. Since 2018, Broward County has awarded \$1.02 billion in funding for affordable housing projects. Further, Broward County is home to 15 Entitlement Communities. These communities comprise 83 percent of the county’s population. In Fiscal Year 2023, the 15 Entitlement Communities (including Broward County) received \$37,357,949 in funding, excluding administration costs.

One of the Master Plan’s funding strategies is to expand the annual allocation of expiring Tax Increment Financing (TIF) funds from the current 50 percent allocation to 100 percent. This allocation would increase the prior 30-year unit production estimate from 18,819 affordable housing units to 35,915 affordable housing units. The Master Plan also proposes a “Municipal Expired TIF Share for Affordable Housing” policy that would commit to using 50 percent of the local share of expired TIF funds for a 30-year horizon with a total value of \$30M providing an estimated 18,000 housing units.

The Master Plan’s second funding strategy is the creation of a countywide “Affordable Housing Innovation Fund” that will be locally controlled, managed, and capitalized. The creation and management of the Fund will provide the opportunity for

formation of the type of private-public partnership that will be needed to implement this funding strategy successfully. There are examples of successful housing development funds and private-public partnerships across the country involving financial institutions, foundations, trusts, government agencies, community organizations, and individual investors.

Having this fund in place will help address the multiple gaps in affordable housing financing. Financing affordable housing projects is getting tougher relative to cost and typically require multiple sources to make a deal work. The goal of the Master Plan is to create a \$100 million “layered” fund combining multiple sources of capital from across different sectors into a single revolving loan fund for private and nonprofit affordable housing developers. The Fund will provide a range of financial products including property acquisition and pre- development loans and down payment assistance.

Lastly, the Master Plan recommends that all 31 of Broward municipalities establish their own “Affordable Housing Trust Fund” or elect to provide funding to the Broward County Affordable Housing Trust Fund. to dedicate the use of public and private dollars to affordable housing program activities in keeping with the housing needs of their own residents and workers. For entitlement communities, a Municipal Affordable Housing Trust Fund can help supplement and leverage existing federal and state housing program resources. For smaller, non- entitlement communities, a Municipal Affordable Housing Trust Fund can provide a dedicated source for private, philanthropic, and annual government contributions.



## Densification Strategies

Given the severity of Broward County's affordable housing crisis, bold land use and zoning incentives are in order. Targeting and maximizing housing density bonuses in key locations can have a profound effect in connecting Broward County's workers and all residents to jobs, public transit, and livable communities. Density bonuses used in combination with a larger package of financial and regulatory incentives can be very effective in making housing development more affordable and economically feasible.

The Master Plan recommends significant increases in density bonuses for affordable housing based on a "tiered system" that prioritizes access to public transit and job centers creating a structure that makes affordable housing for low to moderate income households more attainable.

To take advantage of the proposed countywide Densification Strategy, it will be incumbent on local jurisdictions to provide flexibility and the necessary modifications to their zoning regulations to use the Master Plan's density strategies in guiding future development along commercial corridors, activity centers, and downtowns. Given the finite supply of land in Broward and recent State legislation this will be imperative, not only to preserve and increase the future supply of affordable housing but also to ensure smart and efficient growth that meets community standards.

The Master Plan recommends that all 31 municipalities in Broward should have land use and zoning regulations in place with appropriate densities for both multi-family and mixed-use development. Both multi-family and mixed-use zoning should provide a range of densities based on location and function.

## Program and Regulatory Strategies

The Master Plan recommends a range of program and regulatory strategies that can be used countywide and by each individual municipality including:

### Employer Assisted Housing

Employer Assisted Housing (EAH) programs across the country have proven effective in helping attract and retain workers and enhancing the economic stability of communities. EAH programs can help create a more stable workforce when employees live near their place of work and result in less turnover and reduced recruitment resulting in bottom line savings. Given the wide needs of Broward County's workers, a range of EAH programs is recommended. EAH programs can help employees with the down payment on a home in the form of a forgivable loan and provide additional forms of closing assistance.

### Accessory Dwelling Units

Accessory dwelling units (ADUs) are smaller, independent residential dwelling units located on the same lot as a detached single-family home. ADUs go by many different names throughout the U.S., including accessory apartments, secondary suites, and granny flats.

ADUs have become a focus of counties and municipalities in the search for solutions to the national affordable housing crisis. As the need for affordable housing has risen exponentially over the last several years, ADUs have become increasingly popular structure type that can help address the affordable housing needs of both owners and renters and accommodate a range of household types including young families, seniors, empty nesters, and students. In Florida, permitting accessory residential units in

residentially zoned areas is allowable under Florida Statutes. However, ADUs are not permitted in most residentially zoned areas in the State of Florida. Recently, many local governments, including St. Petersburg and Tampa, are amending or reviewing existing regulations on building ADUs to provide this housing type on a broader basis.

The Master Plan recommends that Broward County’s municipalities allow ADUs by right in all single-family districts as an accessory use. A Broward County Model ADU Ordinance should also provide incentives to low-to moderate-income homeowners and senior homeowners on fixed-income to construct ADUs on their property.

#### Missing Middle Housing

Missing middle housing is defined by planners as “house-scale buildings with multiple units in walkable neighborhoods.” The varieties of missing middle housing include duplexes, triplexes, and fourplexes, courtyard apartments, bungalow courts, townhouses, multiplexes, and live/work units.

The planning intent of establishing missing middle housing is to provide a residential structure type that fits seamlessly into existing residential neighborhoods and support walkability, neighborhood serving retail, and public transportation options. They can provide a viable solution along a spectrum of options to address the current mismatch between the availability of affordable housing and shifting demographics combined with the growing demand for walkability.

The Master Plan recommends that all 31 Broward municipalities amend their zoning to include language that allows for the development of missing middle housing in appropriate locations

within their corporate limits. In addition, all 15 entitlement communities should create programs that incentivize missing middle housing development for both owners and renters.

#### Multi-Tenant Housing Units

Multi-tenant housing units (MTHUs), also called efficiency apartments or residential studio units, provide a low-cost housing option for single-person households. As Broward County continues to face significant affordable housing challenges, MTHU housing presents an opportunity to increase the supply of dignified housing affordable to people at the lowest income levels, which is currently the largest gap in the County’s housing market. MTHUs presents an opportunity to provide a missing product in the affordable housing continuum – independent, stable, and dignified housing that is affordable to people with income below 50 percent of the area median, ideally without the need for additional rental subsidies.

The Master Plan recommends that all 31 municipalities amend their zoning regulations to encourage MTHU development in appropriate locations. MTHU projects need to be near commercial nodes, stores, and resources utilized by the target renters, including but not limited to locations that have high- frequency transit access. The best sites for MTHUs share the same concepts and best practices in transit-oriented design, livable and walkable communities, and place-based strategies.



## **Performance Metrics**

A common refrain by municipal officials throughout the Master Plan’s community engagement process “tell us what to do.” The Master Plan delivers on that request by providing a range of policy and program strategies that can be enacted and implemented by each municipality to respond to the theme of the Master Plan - “leading the challenge and sharing the burden.”

The Master Plan’s Housing Affordability Performance Metric Model was established to assist Broward County municipalities in measuring their progress in implementing their “share” of affordable housing development over the 10-year period of the master plan.

The model will include a dashboard for tracking, analyzing, and displaying data to determine the overall performance of each municipality’s progress in addressing its affordable housing needs. The dashboard will also enable each municipality to track their own progress relative to other municipalities in Broward County.

# Chapter I – Introduction

## A. Overview

Housing Broward: 10-Year Affordable Housing Master Plan (hereinafter referred to as the “Master Plan”), the first countywide affordable housing master plan in the State of Florida, is the product of a 12-month community engagement process including over 60 meetings with local government officials, business leaders, community leaders, and nonprofit organizations. The plan was spearheaded by Broward County officials, The Coordinating Council of Broward, and the Jorge M. Pérez Metropolitan Center at Florida International University. The plan’s theme, “leading the challenge and sharing the burden” is intended to highlight the urgency of Broward’s affordable housing crisis and to sound a “call for action” to all 31 municipalities, leading industry sectors, lenders, and institutions to play key roles in addressing Broward’s affordable housing needs now and for the foreseeable future.

The Master Plan helps align resources and facilitate community partnerships around a single, strategic vision to ensure that there exists an adequate affordable housing supply throughout the county. The plan identifies funding sources, zoning options, regulatory support, and other creative approaches that Broward

County and each municipality can utilize to achieve the objective to substantially address the County’s existing affordable housing demand and supply gap of 147,042 housing units.

The Master Plan is structured around guiding housing affordability principles that evolved throughout a one-year community engagement process where a large cross-section of stakeholders helped to inform and shape the direction of the plan. The clear consensus among community stakeholders is that the scope and scale of Broward County’s affordable housing needs are substantial and affect a broad spectrum of economic, social, and quality of life issues. Based on this acknowledgement and input from community stakeholders, the following guiding principles were formulated:

- Provide clear direction to all 31 municipalities, employers, lenders, and institutions on their specific roles and contributions in addressing Broward County’s housing needs;
- Provide policy solutions at scale with Broward County’s unprecedented affordable housing need – delivering wide-scale production, innovation, speed, and flexibility;

- Ensure affordable housing production is connected to economic, transportation, land use, infrastructure, and environmental planning and investment throughout Broward County; and
- Include accountability measures for all municipalities in meeting the Master Plan’s policy implementation strategies.

To address Broward County’s expanding housing crisis, the Master Plan provides a coordinated and integrated approach that connects housing affordability with other critical planning and policy topics including economic development, land use and zoning, transportation, infrastructure, and climate change. The success of the Master Plan will be dependent on how responsive local decision makers and community stakeholders are in supporting and implementing this approach by taking the necessary actions and providing the resources to jump-start the plan and ensure the plan’s long-term support and viability.

Attaining the goal of providing an adequate supply of affordable housing will be a significant challenge, which is complicated by the fact that for more than a decade local increases in housing costs have far outstripped household income growth. This impacts a wide range of Broward County’s service sector workers who comprise the majority of the County’s and each municipality’s employment base including healthcare attendants, childcare providers, nurses, retail salespersons, cashiers, bus drivers, cooks, security officers, and lawn maintenance workers. Broward County’s housing costs have also created significant distress on our most vulnerable populations including seniors on fixed income, persons with disabilities, and the homeless and near

homeless populations. Further, hours spent “in transit” reduce more productive use of time, including time at home with family or in activities which benefit the community. When first responders and those on whom the local government or school system depend on to provide critical services have limited affordable housing choice, the negative implications for the community are amplified.

The analytic findings from the *2022 Broward County Affordable Housing Needs Assessment* provided the sense of urgency needed to support the Master Plan’s future affordable housing policies and strategies. Significantly, the affordable housing crisis level continues unabated into 2024 with little relief in the housing market expected. As a result, Broward County’s economic competitiveness, resilience, and quality of life are at risk requiring local governments, businesses, and institutions to vigorously intervene.

## B. Affordable Housing and Economic Resilience

Affordable housing is a potent tool for improving the performance of the County’s economy, driving employment growth, productivity, wages, business development, and retaining high-skilled, educated workers. The availability of a range of affordable housing options is one of the most important economic development issues facing Broward County’s municipalities. The high rate of resident turnover, the loss of professionals, skilled workers, and key wage earners at or below the median income will have damaging local economic effects. Providing housing for a mix of income groups that retains and attracts workers across the income and skill spectrum is a key to building a more resilient and self-sustaining economy that is less susceptible to national and regional economic cyclical downturns.

While the lack of affordable housing is particularly crippling to Broward County's service sector workers, housing affordability is also a major concern for young adult workers in professional and cultural occupations such as computer systems, graphic design, the life sciences, education, and the arts. In short, failure to significantly address the County's housing affordability issues will stymie the region's attempts to build new, higher income, higher skilled industries, occupations, employment, and investment. For younger workers and college graduates just entering the workforce, high housing costs creates a difficult decision as to whether to stay in Broward County at all given that wages are lower and housing costs higher than many other counties in Florida and the Southeastern United States. High relative housing costs and tightening first-time home ownership opportunities can hamper talent retention posing a threat to economic sustainability and long-term prospects for advanced countywide economic development. If the pattern continues, out-migration of key segments of the workforce will become an accelerating reality.

A spectrum of housing choice and opportunity also helps maintain a steady stream of new small businesses, entrepreneurs, and jobs required to sustain a healthy local economy. Most communities are reliant on the growth and development of small businesses for new job creation. Creating new opportunities for better paying jobs and higher household incomes is also the key to solving a community's long-term affordable housing issues. Affordable housing, when paired with traditional economic development and business development incentives, becomes an especially potent new business creation incentive package.

Housing affordability also promotes inclusive economic growth where families at the bottom and middle share in expanding

economic opportunity. In fact, it is doubtful that Broward County can create significant upward economic mobility without the wealth and asset building effects of affordable home ownership. The cumulative economic impacts of greater, more widespread housing affordability would be a major boost to achieving the Broward County's goals to become a more diversified, higher income economy, and go a long way to improving family income and wealth accumulation for those at the middle and bottom of the income ladder.

Lastly, housing markets with higher proportions of affordable housing and lower rates of cost burdened households typically have more stable housing demand cycles, which means more stable construction and related industry employment, including specialty trade contractors and employment in the finance, insurance, and real estate sectors. Sustaining a more stable housing market has deep impacts on local employment rates, wage growth, income, and countywide productivity. As Broward County experienced in the last two economic shocks, the loss of these jobs can have devastating economy-wide consequences.

### C. Affordable Housing, Transportation, and Land Use

The connection between affordable housing and transportation and land use is fundamental to sound urban planning and smart growth principles as is the jobs-housing balance. Broward County's and each municipality's ability to maintain an appropriate jobs-housing balance is incumbent upon enabling workers to live affordably near their places of employment. This is critical to attracting a variety of businesses to locate within a community and to positively influence decisions by employers to continue local operations because they can recruit and retain workers within a reasonable commuting distance. Broward County, and

especially the western suburbs, have negative worker inflow/outflow commute patterns with excessively high housing and transportation (H&T) costs indices.

Transit is critical for connecting workers to economic opportunities, but the benefits of transit are not fully realized when its stops are not located close to a high concentration of housing. Land use policies that allow an adequate supply of housing near transit-served areas will increase ridership and allow more people to access jobs and amenities.

The 2021 Infrastructure Investment and Jobs Act (IIJA) provided multibillion dollar programs to states and localities to fund transportation, water, energy, broadband, housing, and community development infrastructure, and are allocated to states and localities. The (IIJA) includes new language about the coordination of housing and transportation planning at the metropolitan planning organization (MPO) level. The IIJA provides new opportunities to encourage approaches that link housing and transportation by requiring an alignment with housing and investments in transportation infrastructure. This requires integrated thinking and thoughtful actions by the Broward County Metropolitan Planning Organization (MPO) and Broward County Transit (BCT) who make the decisions about which investments to prioritize. The Broward County MPO, as part of their “2050 Metropolitan Transportation Plan” are already aligning housing and transportation planning to improve connectivity between where people live and available transit options. Increasing multimodal access to Broward County’s activity centers will be key to improving accessibility and housing equity.



The Horizon of Oakland Park final rendering of TOD mixed-use project. Rendering courtesy of City of Oakland Park.

Cities around the country are embracing “equitable” transit-oriented development, or eTOD, along their transit corridors through mixed-income, mixed-use, dense development that serves households with a range of incomes. For any transit project to succeed, it needs ridership. Broward County residents will take transit to work and play and lower-income residents are the highest users of public transit.

Rail and bus service can play an important role in expanding opportunities for workers by reducing overall costs of living but only if people have nearby access to the services. When housing is integrated with public transportation through eTOD, workers and residents of all ages can gain access to vibrant, mixed-use, and walkable transit-oriented communities (TOC) that are more affordable and offer a high quality of life. Further, hours spent “in transit” reduce more productive use of time, including time at home with family or in activities which benefit the community.





eTOD Conceptual Design; Source Center for Neighborhood Technology

The successful implementation of affordable housing-transit projects is dependent on innovative land use and zoning that provide for mixed-use at appreciably higher housing densities than currently exist in most locations along Broward County's transit corridors. Denser residential development coupled with more job focused TOCs are key to placing more workers closer to transit while allowing multi-purpose trips to and from the primary transit ride. Public transportation can help foster partnerships in communities that support the development of affordable housing around transit. IIJA funds can be leveraged to support projects that maximize access to transit and promote the joint development of housing. This can be accomplished through land use and zoning reforms, and strategic planning processes that leverage both housing and transportation resources.

Lastly, increasing population/worker housing density and ridership in nearby stations has important environmental benefits that help further Broward County's sustainability efforts. IIJA funding and related policies provide an opportunity to coordinate transportation, land use, and environmental policies that can reduce carbon emissions and other types of pollution by disincentivizing the use of personal automobiles for short trips as denser land-use patterns are associated with fewer vehicle miles traveled (VMT) and are a necessary complement to the electrification of the transportation fleet to mitigate climate change. However, all of this is contingent on Broward County's municipalities enacting and enforcing land use planning, zoning, permitting, and changes to building codes that maximize both the affordable housing and environmental benefits of vibrant TOCs.

The Master Plan leverages affordable housing development with other community building investments, including simultaneous investments in transportation infrastructure, municipal services, sea level rise, and large-scale commercial developments. The Master Plan is intended to assure that affordable housing development will improve the quality of the built environment by introducing and reinforcing efficient transportation and land use policies that will help create both affordable housing and job opportunities for all of Broward County's residents.



## D. Organization of the Plan

The Master Plan is organized into the following sections.

Chapter 1: Introduction

Chapter 2: Broward County’s Affordability Housing Challenge – details the housing affordability challenge facing the county, municipalities, businesses, and institutions providing the scope and scale of Broward County’s affordable housing crisis and the policy ramifications relative to the economy, transportation, land use, and overall quality of life.

Chapter 3: Current Housing Market Update – updates the *2022 Broward County Affordable Housing Needs Assessment* providing current home and rent prices and overall market trends.

Chapter 4: Policy Strategies – details the funding, land use, zoning, program, and regulatory strategies that will enable a heightened level of affordable housing development and propel and sustain the implementation for the full 10-year duration of the Master Plan.

Chapter 5: Legislative Agenda – summarizes proposed state and local legislation that will help support the implementation of the Master Plan.

Chapter 6: Performance Metrics – provides the performance metrics to be used to monitor the progress of the Master Plan’s implementation and as an accountability tool for measuring each municipality’s efforts in addressing their housing affordability needs.

# Chapter II – Broward County’s Affordable Housing Challenge

## A. Overview

The enormity of Broward County’s housing affordability challenge is substantial and will require real transformational change in policy direction and a sense of urgency to act by local governments, business leaders, institutions, and non-profit organizations. The need for this level of commitment was repeatedly raised and discussed throughout the one-year community engagement process where a cross-section of stakeholders helped to inform and shape the direction of the master plan.

The Needs Assessment found Broward County’s economic competitiveness, resilience and quality of life are at risk. Unless affirmative affordable housing measures are enacted, there will be severe effects on the county’s leading employment sectors – leisure & hospitality, healthcare, and retail reliant on service sector workers along with major institutions – hospitals, public schools, colleges, and universities.

The *2022 Broward County Affordable Housing Needs Assessment* captured the dynamics of a worsening affordable housing crisis in Broward County that became more pervasive throughout South Florida since the COVID pandemic. The Needs Assessment measured the level of affordable housing demand and distress in the county, including all 31 municipalities, and provided an understanding of how critical housing affordability is to the economic well-being and quality of life of Broward County’s residents, businesses, and institutions.



*A Rick Case Habitat Community, Pompano Beach. Courtesy of Habitat Broward*

The Needs Assessment identified the following critical findings:

- The scope and scale of Broward County’s affordable housing needs are substantial and impact a broad spectrum of economic, social, and quality of life issues;
- Renter households are the most vulnerable due to generally lower household incomes, low wage employment, and excessive cost-burden levels;
- The vast majority (95 percent) of Broward County residents are unable to afford the current median sale price of a single-

family home. Broward County's median single-family home price-to-median household income ratio soared to 9.8:1;

- Broward County's economic competitiveness and resilience are at risk. The economies of Broward County and South Florida depend on the leisure & hospitality, healthcare, and retail industry sectors, each of which rely on service sector workers. This also applies to Broward County's major institutions – hospitals, public schools, and colleges and universities; and
- The scope and scale of Broward County's affordable housing needs will demand a much greater municipal, business, institutional, and philanthropic response.

## B. Broward County's Housing Supply Conditions

### Rapidly Escalating Home Prices and Rents throughout Broward County

The Needs Assessment documented rapid increases in owner and renter housing prices over the past two years. Broward County and all South Florida experienced double-digit appreciation in three successive years in both the homebuyer and renter markets. Housing market appreciation was largely driven by a post-COVID surge in investor buying. The surge began in the summer of 2020 and continued throughout 2022. According to the latest MIAMI Association of Realtors' South Florida Market Stats, the median sale price of a single-family home in Broward County increased by 46.6 percent since April 2020.

As housing prices and rents have increased in Broward County, the supply of affordable housing units has dropped precipitously, hollowing out both owner and renter units at the middle and bottom of the price scale over the last 5 years. From 2016-2020, Broward County lost, due to market appreciation, an annual average of 15,711 units affordable to potential owner households earning less than 140 percent of the median household income and 9,602 units affordable to renters earning less than 120 percent of the median household income. The supply of owner and renter units affordable to households has declined rapidly in both absolute numbers and as a percentage of the county's total housing supply. It is expected that the annual loss of this segment of the homebuyer and renter markets dramatically increased in the investor frenzy real estate market that took place post-COVID. Without intervention, there is no expectation that this situation will change.

### Safe, Decent, and Affordable Housing: Broward County's Aging Housing Supply

The Needs Assessment found that Broward County's housing supply is aging. According to 2021 ACS estimates, 69.9 percent (577,365 units) of the county's housing supply was constructed prior to 1990. Only 4 percent (33,017 units) of the county's housing supply has been constructed since 2010.

The age and condition of the housing supply is a critical aspect of Broward County's affordable housing crisis. The provision of safe, decent, and affordable housing should be integral to housing policy at all levels of government. While the U.S. Department of Housing and Urban Development (HUD) has a stated aim "to provide safe, decent, affordable housing," the responsibility to deliver on this aim rests with state and local governments.

The economic impacts of Hurricane Andrew mandated a single, statewide building code that featured tougher standards to ensure structures would withstand major hurricane-level winds. The Florida Building Code (FBC) was enacted by the Florida Legislature in 1998 and became effective on March 1, 2002. The FBC applies to "...the construction, erection, alteration, modification, repair, equipment, use and occupancy, location, maintenance, removal and demolition of every public and private building, structure," The Florida Building Code applies to all new construction and major repairs such as walls and roofs. All pre-existing housing structures are essentially grandfathered from enforcement other than for "substantial damage or "substantial improvement."

According to the needs assessment, 86 percent (710,309 units) of

Broward County’s housing supply was constructed prior to the FBC. Unless these structures were adequately constructed prior to the FBC or have undergone substantial improvements since 2002, they would be potentially structurally vulnerable in a major storm event.

### C. Broward County’s Housing Demand Conditions

#### Accelerated Affordable Housing Demand

The level of affordable housing demand is largely determined by job growth and retention. The affordability component of housing demand, however, is based on local wages and salaries that are then translated into household incomes. The Needs Assessment industry and employment analysis clearly showed that Broward County’s economic base is principally comprised of service-providing industries. While service-providing industries are essential to South Florida’s tourism-based economy and do offer livable wages among many of the associated occupations, the vast majority of employment is found in low-wage earning occupations. The annual wage level translates to worker households with median incomes generally below the median income for Broward County.

Unfortunately, expecting any decline in the County’s renter cost-burden is unrealistic. [The dynamics driving housing affordability in Broward County have been moving in the wrong direction — housing prices and rents increasing extraordinarily faster than wages, slow higher-wage job creation, tightening vacancy rates, and rapid appreciation that permanently removes more units each year from the local market.](#) The latter issue is particularly relevant given the shortage of affordable housing production in recent years.

### Broward County Leading Occupations by Wage & Household Income

Occupational Categories	Median hourly Wage	Annual Income	Very Low Household Income 50% of AMI	Low Household Income 80% of AMI	Moderate Household Income 120% of AMI
Office and Administrative Support Occupations	\$18.78	\$39,062	X		
Sales and Related Occupations	\$16.97	\$35,297	X		
Food Preparation and Services	\$14.45	\$30,056	X		
Transportation and Material Moving Occupations	\$17.19	\$35,755	X		
Business and Financial Services Occupations	\$34.12	\$70,969		X	
Healthcare Practitioners and Technical Occupations	\$36.01	\$74,900		X	
Management Occupations	\$49.30	\$102,544			X
Installation, Maintenance, and Repair Occupations	\$22.68	\$47,174	X		
Educational Instruction and Library Occupations	\$25.16	\$52,332		X	
Buildings and Grounds Cleaning and Maintenance Occupations	\$14.50	\$30,160	X		
Healthcare Support Occupations	\$16.17	\$33,633	X		

Sources: U.S. Census Bureau. ACS 2022 5-Year Estimates

## Broward County Leading Industries by Employment

Top 10 Industries in Broward County by Employee Count	Median earnings 2021	Employee Count	Relevant Unit Demand
Health care and social assistance	40,485	131,894	48,106
Retail trade	27,819	120,697	44,022
Professional, scientific, and technical services	62,053	80,771	29,460
Accommodation and food services	22,115	74,361	27,122
Educational services	44,783	72,246	26,351
Construction	37,318	71,658	26,136
Administrative and support and waste management services	29,263	63,591	23,194
Transportation and warehousing	42,158	60,116	21,926
Other services, except public administration	26,096	51,680	18,849
Manufacturing	49,377	47,383	17,282

Sources: U.S. Census Bureau. ACS 2021 5-Year Estimates; Florida Commerce. Occupational Employment and Wage Statistics. Q2/3 2023; U.S. Census Bureau. American Community Survey 2022 5 – Year Estimates

The housing affordability demands of low- and moderate-income workers in Broward County and its municipalities had not improved prior to the COVID-19 pandemic despite impressive post-Great Recession job growth numbers and low unemployment. With 61.9 percent of renter households categorized as cost-burdened, Broward County was already one of the most unaffordable places to live in the U.S. The Needs Assessment found Broward County’s affordable housing demand expanded exponentially in the whirlwind post-COVID residential real estate market.

## D. The Municipal Housing Affordability Challenge

The housing affordability crisis in Broward County involves all 31 municipalities. As noted above, home prices and rents have soared in all municipalities in recent years. Household income has not kept pace with rising housing prices making housing inaccessible to most Broward County residents while creating excessive cost burden levels in most municipalities.



## Broward County Single-Family Home Affordability by Municipality

Localities	Median Sale Price Q4/2023	Median Household Income (2020)*	Affordability Ratio**	Affordable Homeowner Supply Gap Units***
<b>Broward County</b>	<b>\$579,450</b>	<b>\$60,922</b>	<b>9.5:1</b>	<b>72,918</b>
Hollywood	\$525,000	\$54,317	9.7:1	10,134
Fort Lauderdale	\$625,000	\$64,313	9.7:1	8,785
Coral Springs	\$660,000	\$77,488	8.5:1	8,184
Parkland	\$1,110,000	\$159,692	6.9:1	8,075
Margate	\$488,000	\$46,460	10.5:1	5,267
Miramar	\$550,000	\$70,477	7.8:1	5,037
Pembroke Pines	\$640,000	\$68,683	9.3:1	4,912
Sunrise	\$492,500	\$54,701	9.0:1	4,796
Davie	\$797,000	\$74,523	10.7:1	4,644
Pompano Beach	\$450,000	\$52,565	8.6:1	3,686
Plantation	\$700,000	\$75,780	9.2:1	3,657
Hallandale Beach	\$465,000	\$40,237	11.6:1	2,448
Weston	\$824,000	\$113,032	7.3:1	2,159
Southwest Ranches	\$1,400,000	\$133,750	10.5:1	2,070
Deerfield Beach	\$499,990	\$47,183	10.6:1	2,001
Lauderdale Lakes	\$424,000	\$36,103	11.7:1	1,864
Coconut Creek	\$565,000	\$65,578	8.6:1	1,653
Oakland Park	\$553,750	\$53,744	10.3:1	1,484
North Lauderdale	\$410,000	\$46,594	8.8:1	1,448
Dania Beach	\$560,000	\$45,187	12.4:1	1,359
Wilton Manors	\$787,500	\$72,070	10.9:1	1,129
Lighthouse Point	\$1,079,213	\$76,001	14.2:1	1,052
Lauderhill	\$412,000	\$43,658	9.4:1	786
Pembroke Park	(No Sales)	\$40,024	n/a	703
Lauderdale-by-the-Sea	\$851,000	\$69,860	12.2:1	588
West Park	\$437,500	\$47,755	9.2:1	566
Cooper City	\$725,000	\$108,763	6.7:1	414
Tamarac	\$422,500	\$51,799	8.2:1	407

Hillsboro Beach	(No Sales)	\$69,766	n/a	168
Sea Ranch Lakes	\$5,537,500	\$196,250	28.2:1	130
Lazy Lake	(No Sales)	\$250,000+	n/a	n/a

Localities (BMSD)	Median Sale Price Q4/2023	Median Household Income (2020)*	Affordability Ratio**	Affordable Homeowner Supply Gap (Moderate Income)***
Broadview Park	\$423,750	\$45,209	9.4:1	581
Roosevelt Gardens	\$410,000	\$40,572	10.1:1	182
Franklin Park	\$360,000	\$39,461	9.1:1	138
Boulevard Gardens	\$377,500	\$50,099	7.5:1	121
Hillsboro Pines	(No Sales)	\$78,542	n/a	117
Washington Park	\$360,000	\$36,645	9.8:1	14

*Source: U.S. Census Bureau. ACS 2021 5-Year Estimates; Broward MIAMI Assoc. of Realtors. Residential Market Metrics - Q3 2023. Sale activity is limited to those municipalities included in the Realtors' report. 2022 FIU Jorge M. Perez Broward County Affordable Housing Needs Assessment.*

\*Newer income data, to be released early Q1 2024, will likely impact dynamic between sale prices and household incomes but not significantly

\*\*The Affordability Ratio is measure of housing sale prices, in relation to the median incomes of households. Traditionally, a ratio of about 3:1 has been seen as healthy; an affordable home will ideally cost about three times the annual income of a given household.

\*\*\*Includes both owners and renter households earning 81-120% of MHI. Moderate Income renters are included in the calculation as they are viewed as potential first-time buyers.

According to the Needs Assessment, all of Broward County’s largest municipalities have substantial single-family home affordability gaps creating highly unfavorable affordability ratios that deny homeownership for most aspiring homebuyers and stymies local real estate markets.

### Broward County Renter Affordability by Municipality

Localities	Average Rent 2 bedroom Unit (Q2/2023)	Median Renter Household Income	Monthly Affordability Gap	Affordable Rental housing Demand/Supply Gap
<b>Broward County</b>	<b>\$2,802</b>	<b>\$55,528</b>	<b>\$1,414</b>	<b>74,124 units</b>
Fort Lauderdale	\$3,470	\$47,108	\$2,292	7,297 units
Hollywood	\$2,821	\$43,079	\$1,744	6,800 units
Parkland	\$2,756	\$77,097	\$799	5,426 units
Lauderhill	\$2,276	\$35,422	\$1,390	4,947 units
Pompano Beach	\$2,615	\$45,295	\$1,483	4,464 units
Plantation	\$2,745	\$56,380	\$1,336	4,013 units
Deerfield Beach	\$2,369	\$40,967	\$1,345	3,957 units
Pembroke Pines	\$2,720	\$55,731	\$1,327	3,925 units
Davie	\$2,702	\$45,726	\$1,559	3,696 units
Coral Springs	\$2,756	\$54,611	\$1,391	3,900 units
Miramar	\$2,720	\$51,605	\$1,430	3,417 units
Sunrise	\$2,276	\$50,455	\$1,015	2,942 units
Hallandale Beach	\$2,821	\$36,125	\$1,918	2,913 units
North Lauderdale	\$2,367	\$37,385	\$1,432	2,650 units
Tamarac	\$2,367	\$47,362	\$1,183	2,421 units
Margate	\$2,756	\$33,999	\$1,906	2,306 units
Dania Beach	\$2,821	\$41,273	\$1,789	2,181 units
Coconut Creek	\$2,756	\$63,027	\$1,190	2,179 units
Oakland Park	\$3,470	\$44,213	\$2,365	2,163 units
Lauderdale Lakes	\$2,276	\$29,582	\$1,536	2,032 units
Weston	\$2,720	\$71,477	\$934	1,556 units
Wilton Manors	\$3,470	\$48,614	\$2,255	749 units
West Park	\$2,720	\$38,540	\$1,765	586 units
Pembroke Park	\$2,821	\$41,073	\$1,794	505 units
Cooper City	\$2,702	\$64,980	\$1,077	479 units
Lauderdale-By-The-Sea	\$2,615	\$50,917	\$1,342	294 units
Lighthouse Point	\$2,369	\$44,313	\$1,261	284 units
Hillsboro Beach	\$2,418	\$56,667	\$1,001	70 units

Southwest Ranches	\$2,720	n/a	n/a	n/a
Lazy Lake	\$3,470	n/a	n/a	n/a
Sea Ranch Lakes	\$2,615	n/a	n/a	n/a

Localities	Average Rent 2 bedroom Unit (Q2/2023)	Median Renter Household Income	Monthly Affordability Gap	Affordable Rental housing Demand/Supply Gap
Broadview Park	\$2,745	\$41,495	\$1,708	286 units
Roosevelt Gardens	\$3,470	\$38,750	\$2,501	130 units
Franklin	\$3,470	\$39,045	\$2,494	127 units
Boulevard Gardens	\$3,470	\$16,542	\$3,056	97 units
Hillsboro Pines	\$2,756	n/a	n/a	n/a
Washington Park	\$3,470	n/a	n/a	n/a

*Source: Reinhold P. Wolff Economic Research, Inc. Quarterly Housing Report. Q3. 2023. FIU Jorge M. Perez Metropolitan Center, 2022 Broward County Affordable Housing Needs Assessment*

# Chapter III – Broward County Housing Market Update

## A. Overview

Broward County is not alone in facing unprecedented housing price increases since the COVID pandemic. All South Florida experienced double-digit appreciation in three successive years following the COVID pandemic. The unprecedented level of housing market activity was largely driven by a surge in investor buying. The surge began in the summer of 2020 and continued throughout 2023. Investor real estate activity accompanied by rapid appreciation in the housing market exacerbated an existing housing affordability crisis fueled by increasing renter housing demand, a lack of affordable owner and renter housing production, and depressed household incomes. During this period, housing's share of the Consumer Price Index (CPI) rose at an accelerated pace and has been the largest contributor to the overall inflation rate. The shelter index accounted for more than 70 percent of the increase in the CPI in 2023.

Since the completion and rollout of the 2022 Needs Assessment, Broward County's affordable housing crisis has worsened. Home prices and rents have continued to increase while affordable housing production has not kept pace with growing demand. The following section provides an update of Broward County's housing market through 2023.

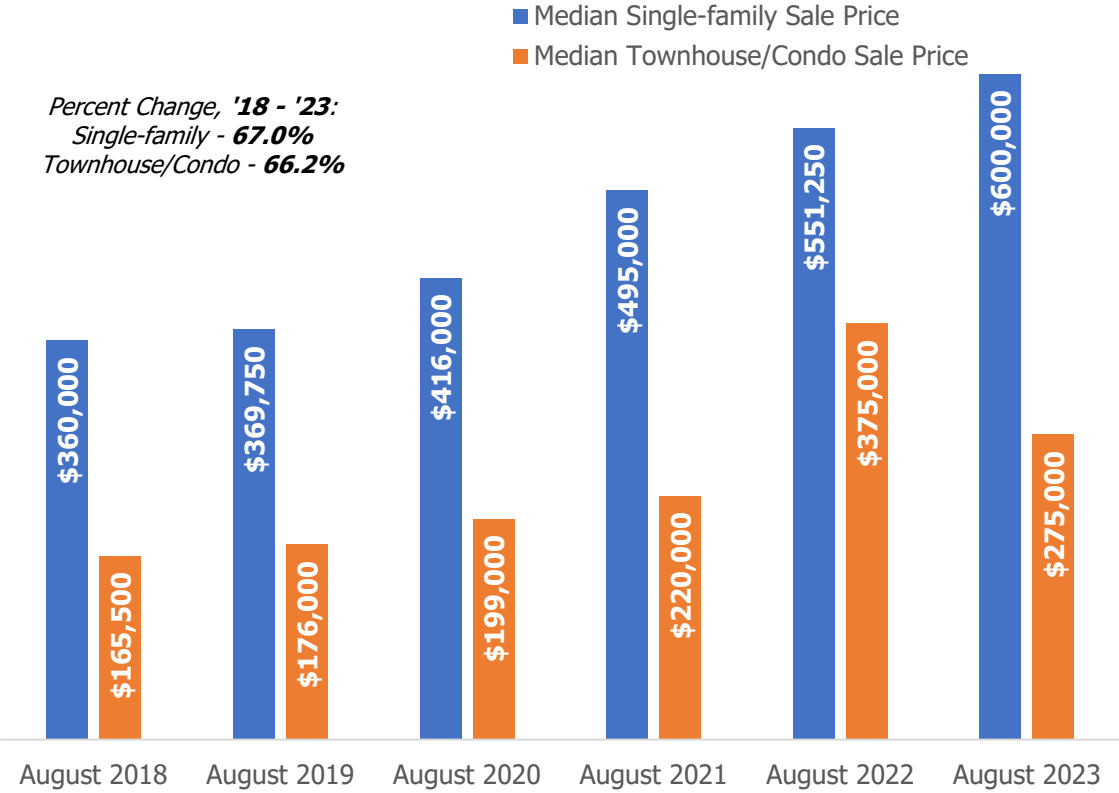
## B. Home Prices and Rents

According to the latest MIAMI Association of Realtors' South Florida Market Stats, the median sale price of a single-family home in Broward County has increased by 67 percent since April 2020. In November 2023, the median single-family home price in Broward County had risen to \$600,000 which reflects an 11.1 percent year-over-year increase. The median sale price of a single-family home in Broward County has increased by 60.2 percent since January 2020.

Most Broward County municipalities experienced 60+ percent increases in median and average sale prices from 2020-2023. Among the county's largest municipalities, median single-family home prices are currently the highest in Davie (\$767,000), Coral Springs (\$700,000), Plantation (\$700,000), Pembroke Pines (\$630,000), Miramar (\$622,000), and Fort Lauderdale (\$600,000).

The current average rents among Broward County's municipalities have created large monthly affordability gaps for renter households which has further widened rental housing demand/supply gaps in most municipalities.

### Broward County Single-family & Townhouse/Condo Sale Prices: 2018 - 2023



In the rental market, Broward County’s rent prices have soared not only over the past three years but are part of a longer trend in increasing rent prices. The county’s average rent has increased by 70.5 percent since 2016.



The highest monthly average rents are found in Broward County’s major submarkets including Fort Lauderdale, Hollywood/Hallandale, Coral Springs, Plantation, Davie/Cooper City, and Pembroke Pines/Miramar. Average rents for a two-bedroom apartment range from \$2,325 in the Lauderhill/Lauderdale Lakes/Sunrise submarket to \$3,542 in the Fort Lauderdale submarket.

### 2023 Broward County Average Rents by Submarket

Submarket	1 BR	2 BR	3 BR
Hollywood/Hallandale	\$2,162	\$2,861	\$3,834
Pembroke Pines/Miramar	\$2,294	\$2,753	\$3,335
Davie/Cooper City	\$2,319	\$2,805	\$3,636
Plantation	\$2,382	\$2,817	\$3,379
Fort Lauderdale	\$2,640	\$3,542	\$5,058
Lauderhill/Lauderdale Lakes/Sunrise	\$2,093	\$2,325	\$2,809
Pompano Beach	\$2,282	\$2,646	\$3,760
North Lauderdale/Tamarac	\$1,954	\$2,428	\$2,886
North Pompano/Deerfield Beach	\$2,159	\$2,418	\$3,628
Coral Springs	\$2,287	\$2,841	\$3,231

Source: Reinhold P. Wolff Economic Research, Inc.; 3Q/2023 Report. Tabled by Jorge M. Perez Metropolitan Center at Florida International University.

# Chapter IV – Affordable Housing Master Plan Policy Strategies

## A. Overview

For the Master Plan to be successful, Broward County will need to implement both short- and long-term strategies that are bold and innovative. The Master Plan’s policy strategies focus on three primary areas, 1) project funding, 2) zoning and land use incentives, and 3) program and regulatory options and incentives.

## B. Existing Project Funding

The Master Plan’s project funding strategies are intended to aggressively supplement on going affordable housing funding at the county and municipal levels. Broward County is well-positioned to advance bold and innovative projects and program funding strategies. Since 2018, Broward County has been awarded \$1.02 billion in funding for affordable housing projects, which has resulted in the production of 4,870 affordable housing units. The principal funding sources have been \$484 million in bond allocation by the Broward housing Finance Authority, \$351.1 million in Florida Housing Finance Corporation (FHFC) 9% Tax Credits under the Low-Income Housing Tax Credit Program (LIHTC) and \$123.1 million in gap funding awarded on an annual basis by the Broward County Board of Commissioners.

Funding Source	Total Funding Award	No. Affordable Housing Units
Broward County GAP	\$123.1M	2,668
Broward County Housing Finance Authority (HFA)	\$484M	
Florida Housing Finance Corporation (FHFC) State Apartment Incentive Loan (SAIL) Program	\$59.8M	2,202
FHFC 9% Tax Credits	\$351.1M	
<b>TOTALS</b>	<b>\$1.02B</b>	<b>4,870</b>

Broward County is also well-positioned from both a resource and capacity standpoint to support the Master Plan funding strategies through ongoing federal and state Entitlement Community funding programs. Broward County is home to 15 Entitlement Communities. These communities comprise 83 percent of the county’s population. In Fiscal Year 2023, the 15 Entitlement Communities (including Broward County) received \$37,357,949 in funding from the combined Community Development Block Grant (CDBG), Home, and State Housing Initiatives Partnerships (SHIP) programs. This funding has been used for affordable home ownership, housing rehabilitation, and multifamily housing development.

### FY 2023 Community Planning and Development Formula Program Allocations

Entitlement Community	CDBG	HOME	SHIP	Total*
Coconut Creek	\$259,984	\$0	\$597,747	\$857,731
Coral Springs	\$623,622	\$0	\$1,392,710	\$2,016,332
Davie	\$573,859	\$0	\$1,104,002	\$1,677,861
Deerfield Beach	\$563,178	\$0	\$902,720	\$1,465,898
Ft Lauderdale	\$1,206,442	\$692,276	\$1,951,826	\$3,850,544
Hollywood	\$938,711	\$522,904	\$1,600,091	\$3,061,706
Lauderhill	\$560,778	\$0	\$772,598	\$1,333,376
Margate	\$338,094	\$0	\$605,880	\$943,974
Miramar	\$607,047	\$0	\$1,427,273	\$2,034,320
Pembroke Pines	\$886,914	\$0	\$1,768,843	\$2,655,757
Plantation	\$370,260	\$0	\$971,847	\$1,342,107
Pompano Beach	\$822,942	\$457,355	\$1,175,162	\$2,455,459
Sunrise	\$556,364	\$0	\$1,006,411	\$1,562,775
Tamarac	\$398,246	\$0	\$750,234	\$1,148,480
Weston	\$249,264	\$0	\$705,504	\$954,768
Broward County	\$2,298,102	\$4,100,077	\$3,598,682	\$9,996,861
	\$11,253,807	\$5,772,612	\$20,331,530	\$37,357,949
15 Entitlement Cities **	\$8,955,705	\$1,672,535	\$16,732,848	\$27,361,088
Broward County	\$2,298,102	\$4,100,077	\$3,598,682	\$9,996,861

\*Allocations above exclude program administration amounts

\*\*Population of 15 Entitlement cities = 1,602,983 (83% of Entire County)

## C. New Project Funding Strategies

### Expired Tax Increment Financing (TIF) Policy Expansion

Currently, 50 percent of the annual available funds from expiring Tax Increment Financing (TIF) funds are allocated to affordable housing opportunities countywide. The Master Plan funding strategy proposal is to expand this annual allocation to use 100 percent of expired TIF for a 30-yr horizon that would increase the prior 30-yr unit estimate from 18,819 affordable housing units to 35,915 affordable housing units.

The proposed affordable housing allocation would be for 30-year zero interest loans with a 50-year affordability period. The 50-year cost per unit would be equivalent to \$2.78 per day. The funding would also create additional resources to apply to neighborhood strategies including infill development, home repair, and purchase assistance.

The recommended 100 percent expired TIF proposal would be a “pay as you go” approach based on the following considerations:

- Assumes a 30-year funding period (0% interest loan) matching a General Obligation Bond (GOB) time period
- Assumes a “gap” financing level (\$20m) per year through FY 2027
- Starting in FY 27, 100 percent of expired TIF use will be allocated for affordable housing
- Estimates 20,984 housing units at the 20-year mark and 35,915 housing units at 30-year mark

**NOTE:** On March 7<sup>th</sup>, 2024, the Broward County Commission adopted a policy position that the TIF funding be split as 90% for affordable housing and 10% for economic development or other purposes, and would be revisited on an annual basis.

In addition to the County’s 100 percent expired TIF proposal, the Master Plan proposes a “Municipal Expired TIF Share for Affordable Housing” policy based on the following considerations:

- 2022 Fiscal Year total local (municipal) share of TIF = \$60M
- Commitment to use 50 percent of the local share of expired TIF for a 30-year horizon
- 50 percent of total value = \$30M providing an estimated 18,000 housing units

## Affordable Housing Innovation Fund

The proposed “Affordable Housing Innovation Fund” will augment the proposed Expiring Tax Increment Financing Policy Expansion. Given the scale of Broward County’s affordable housing needs and the shrinking levels and uncertainty of federal and state funding sources, it is important that the Plan include a countywide funding source that can be locally controlled, managed, and capitalized.

The Fund will include the following performance criteria:

- **Reaching scale quickly followed by continuous fundraising:** providing resources to implement the Master Plan will require reaching significant scale as quickly as possible. However, creating a financing structure at this scale won’t happen all at once, and will need to be grown continuously over the next 10 years;
- **Flexibility:** financing provided by the Fund will be flexibly applied, providing speed to the development process. Growing the Fund would be specifically open-ended, built through direct cash investments, partnerships, and long-term commitments to use funding and resources from lenders (for and non-profit), institutional investors, philanthropic donors and granting institutions. Investors and partners of the Fund would have the option of directing how their funds are used within the Fund. Investor-partners could also direct specific uses of their funds or commitments (i.e. rental unit, owner-occupied, acquisition, preservation, new construction, loan guarantees, etc.
- **Replenishment:** the Fund will avoid one-time giveaways by structuring funding as revolving sources that return value

and cash back to the affordable housing funding pool. The Master Plan needs to be self-sustaining over at least the next decade;

- **Partnerships and long-term commitments:** Leveraging public dollars in the Fund is crucial, and will require partnerships with banks, lenders and investors making long-term commitments to the Master Plan; and
- **Funding under one roof:** homebuyers, developers, owners, renters, and builders of affordable housing need access to a wide range of financial products and programs. A major aspect of the Fund will be its focus, commitment, and single, transparent point of entry with funding and financial assistance open to anyone, including single-family homeowners, to support their efforts to re-build Broward County’s affordable housing supply and protect its unique neighborhoods.

The Master Plan’s “Affordable Housing Innovation Fund” will be locally controlled, managed, and capitalized. The creation and management of the Fund will provide the opportunity for formation of the type of private-public partnership that will be needed to implement this funding strategy successfully. Having this Fund in place will help address the multiple gaps in affordable housing financing. Financing affordable housing projects is getting tougher relative to cost and typically requires multiple sources to make a deal work. There are examples of successful housing development funds and private-public partnerships across the country involving financial institutions, foundations, trusts, government agencies, community organizations, and individual investors.

The goal will be to create a \$100 million “layered” Fund combining multiple sources of capital from across different sectors into a single revolving loan fund for private and nonprofit affordable housing developers. Such funds vary in terms of their “capital stack.” What share of the capital in the fund will come from the private and philanthropic sectors will be determined by need and investment capacity. Importantly, combining different sources of funding - private capital, public subsidy, corporate and philanthropic investment - will help overcome the limitations of each.

The Housing Innovation Fund should be able to provide a range of financial products including property acquisition and pre-development loans and down payment assistance. Property acquisition loans will provide developers of affordable housing with the financing to act quickly to acquire land and buildings as they become available. Affordable housing developers will be able to acquire properties directly using up-front financing provided through the fund. Related pre-development costs are also an allowable expense, including costs associated with conducting appraisals and environmental assessments, demolition and site clearance and securing title and zoning approvals. Down payment assistance to homebuyers to help them qualify for mortgages and reduce the cost of homeownership debt is an established practice across the US. The Fund will provide a portion of the mortgage.

#### Municipal Affordable Housing Trust Funds

All 31 of Broward County’s municipalities should establish their own “Affordable Housing Trust Fund” or elect to provide funding to the Broward County Affordable Housing Trust Fund to dedicate the use of public and private dollars to affordable housing program activities in keeping with the housing needs of their own

residents and workers. For entitlement communities, a Municipal Affordable Housing Trust Fund can help supplement and leverage existing federal and state housing program resources. For smaller, non-entitlement communities, a Municipal Affordable Housing Trust Fund can provide a dedicated source for private, philanthropic, and annual government contributions.

The criteria for the Municipal Affordable Housing Trust Fund includes:

- An annual funding allocation with sources identified by each municipality
- Funds must be used to support affordable housing strategies
- Annual funding challenge based on Broward County’s Affordable Housing Trust Fund allocation of \$20M is \$10 per person for each City, i.e. Fort Lauderdale population 182,247= \$1,822,470/Oakland Park population 44,092= \$440,920

## D. County Densification Strategies

### Overview

Government regulations, which include zoning, land use, building codes, environmental remediation, infrastructure requirements and public benefit improvements, all serve a public purpose to protect the health, safety and well-being of communities and their citizens. However, some of these regulations can become over burdensome, especially for affordable housing projects, adding to professional service fees and construction costs. Government regulations and processes have the highest impact on the soft costs associated with a development project. Soft costs include architecture, engineering and professional fees, permits, licenses,

application fees, and transactional fees. These pre-development costs are borne by a developer before a shovel even hits the ground. In addition, impact fees, permit fees and application fees are direct expenses that are paid by developers and ultimately passed on to the consumer.

Regulatory incentives can have a significant impact on housing affordability. In fact, larger packages that combine multiple regulatory incentives, modernization of municipal regulations and improvements to the entitlement process can significantly reduce the cost of affordable housing and increase supply. Given the severe deficit of affordable and workforce housing in Broward, density bonuses will have a significant impact on increasing the supply of affordable housing. Density bonuses alone are not the solution but intended to be part of a larger package of incentives to make housing more affordable and economically feasible. Other tools include zoning concessions such as reduced parking requirements, setbacks, and reduction of minimum residential square footages as examples. In addition, reductions or waivers of fees and expedited permitting are even more helpful to project economics. The application of recommended regulatory incentives included in the Master Plan will require commitments and implementation by both Broward County and its 31 municipalities.

#### Density Bonuses

The largest impact on regulatory incentives that Broward County has leverage over is the Broward County Future Land Use Plan. This includes the allowance of flexibility in densities for affordable housing per Florida Statute 420.9076. The Master Plan recommends significant increases in density for affordable housing based on a “tiered system” that prioritizes access to transit and

the most vulnerable of Broward residents, while creating a structure that makes affordable housing for low to moderate income households economically feasible. Sometimes density and other regulatory incentives are sufficient, however the plan also recognizes that some projects will also require some other level(s) of financial assistance.

#### Tier I – Transit Oriented Development (TOD) Locations

Transit oriented development (TOD) locations include existing and planned development at public transit stops. This includes future “Mobility Hubs” identified by the Broward MPO. Mobility Hubs will be a focus of the Broward MPO’s 2050 Long Range Transportation Plan (LRTP) as Mobility Hubs are central to Broward County’s larger transportation infrastructure efforts including future PREMO investment being made by Broward County Transit (BCT). Tier I locations also include land parcels designated as “Commerce” within one-half mile of transit stops.

TODs provide the greatest opportunity to connect affordable housing with jobs, transit, and quality of life surroundings for Broward County’s workers and seniors. TOD should provide for mixed-uses and dense development that can serve households with a range of incomes inclusive of low-income households. Low-income residents are the highest users of public transit providing low-income households with opportunities to live around public transit stops also reduces transportation costs for those households, while providing improved access to healthcare, education entertainment, and employment.

The plan recommends Tier I TODs allow for maximum density bonuses for projects with a minimum 20 percent affordable for “Very Low”, “Low” and “Moderate” income based on a cumulative

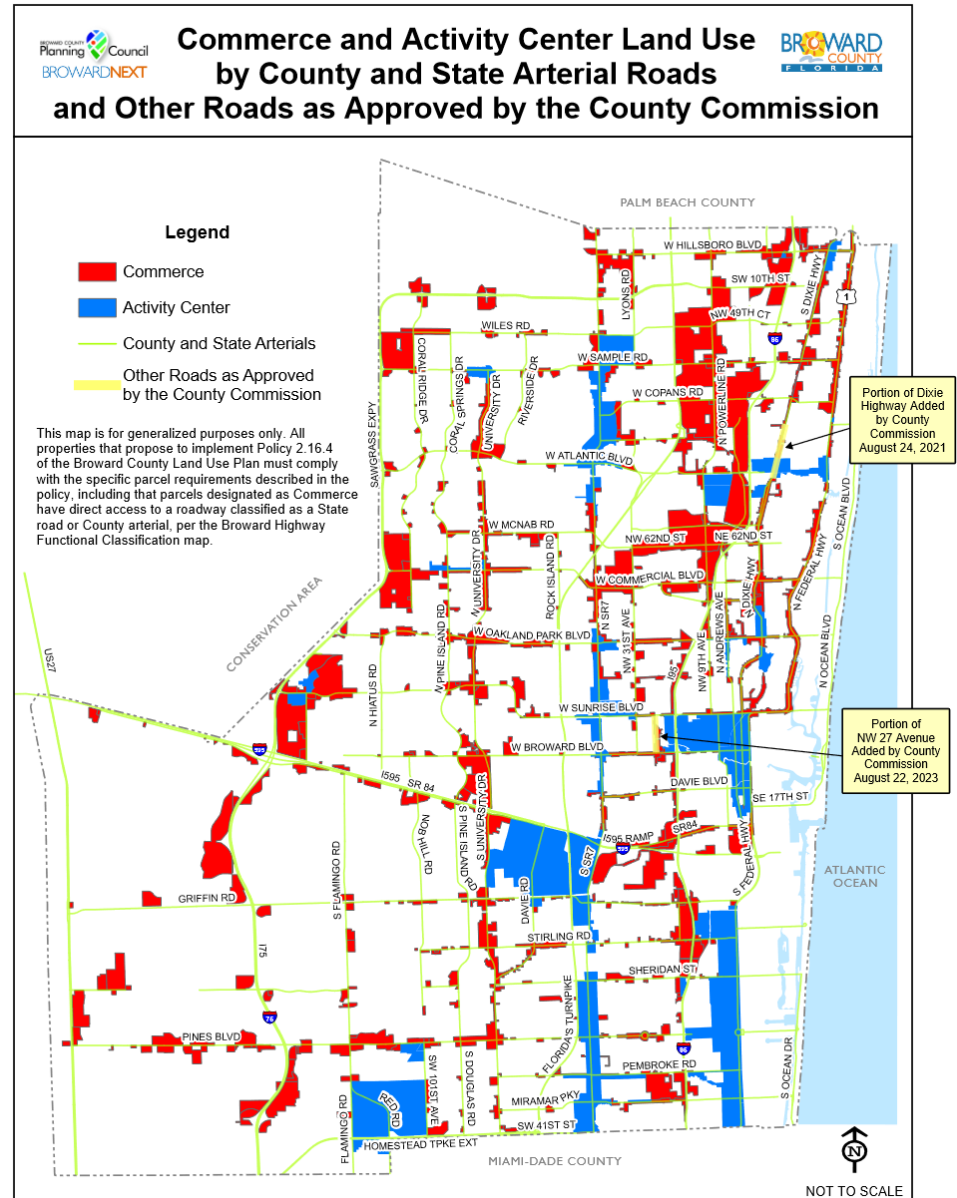


sliding scale prescribing percentages at these income levels.

### Tier II - Activity Centers

According to the Broward County Future Land Use Plan, "Activity Centers" are intended to facilitate a balanced and interconnected mix of land uses, encourage mass transit, and non-motorized transportation, reduce the need for automobile travel, provide incentives for quality development and give definition to the urban form. Development patterns shall generally reflect planning and design principles that support mixed-use development to integrate housing, employment, retail, recreation, and local and regional community facilities with a primary orientation toward a multi-modal transportation system. Policy 2.4.3 of Broward County's Future Land Use Plan states "residential use is required as a principal component within an Activity Center." Policy 2.4.5 states "local governments shall consider community needs for affordable housing when proposing an Activity Center and include within their local land use element policies, methods and programs to achieve and/or maintain a sufficient supply of affordable housing opportunities, through various mechanisms such as the direction of public housing program funds into the Activity Center, reduced lot size for dwelling units, construction of zero lot line and cluster housing, vertical integration of residential units with non-residential uses, the allowance of accessory dwelling units, or through other mechanisms proven effective in increasing the affordable housing stock.

Activity Centers provide an excellent location for high density housing development with density bonuses for affordable housing. The Master Plan recommends bonus densities of up to 100 percent for projects that provide a minimum 20 percent



affordable units for “Very Low”, “Low” and “Moderate” income based on a cumulative sliding scale prescribing percentages at these income levels.

#### Tier III - Commerce and Medium High Residential on Qualified Roadways

Policy 2.16.4 of the Broward County Future Land Use Plan allows for “additional permitted residential density” within parcels located west of and including US 1 and designated “Commerce” or “Activity Center” on the Broward County Land Use Plan and fronting with direct access to a roadway classified as a State road, or County arterial, per the Broward Highway Functional Classification map, or other road or portion thereof, as approved by the Board of County Commissioners, or within a parcel designated “Activity Center”, multi-family residential use is permitted in addition to that permitted otherwise in those designations by this Plan.

The Master Plan recommends minimum 20 percent affordable housing requirement to qualify for density bonuses based on a sliding scale using the current blended policy formula included in the Broward County’s Future Land Use Plan and thresholds with additional bonus density allowances to increase the supply of “Very Low”, “Low” and “Moderate” income housing.

#### Additional Provisions

1. [Supplemental bonus density](#) of 15 percent for projects that provide a minimum 20 percent allocation for Senior and/or Special Population housing.
2. [Bonus affordable unit income levels](#) are discretionary and not included as part of the density bonus formula calculations.
3. Fractional units may round up.
4. Development projects using the land use and density provisions of the

[Live Local Act shall not be entitled to density bonus provisions of the Master Plan without approval](#) of the local jurisdiction (municipality).

## E. Municipal Land-Use and Zoning Strategies

Oversight of the County’s land use falls under the purview of the Broward County Land Use Plan, while municipalities control local land use plans as long as they comply or are more restrictive than the Broward County Land Use Plan. However, the actual implementation of local land use policy is handled exclusively by each of the 31 municipalities in Broward County through their respective zoning and land development regulations.

To take advantage of the Countywide Densification Strategy described in the previous section, it will be incumbent on local jurisdictions to provide flexibility or modify local zoning regulations to use increased densities and to guide future development in a way that conforms to individual municipal vision and growth. Given the finite supply of land in Broward and recent State legislation this will be imperative, not only to preserve and increase the future supply of affordable housing but also to ensure smart and efficient growth that meets community standards.

#### Land Development Standards and Incentives

Most municipal zoning regulations prescribe specific standards on development, such as minimum lot size, unit size, and parking requirements. In some communities, these standards have not been updated or modernized based on current practices in quite some time, but also fail to consider demographic shifts and quality of life preferences. To further exacerbate the issue of outdated regulations is the issue of the finite supply of land in Broward County. Gone are the days of master planned developments on

sprawling 50+ acre sites, so municipal zoning regulations should be more accommodating and flexible to support smaller developments, which often times are also more financially challenging.

For municipalities to increase their supply of affordable housing and/or take advantage of the Countywide Densification Strategy, modifications to existing zoning codes and regulatory incentives will need to work in tandem with countywide policy changes. The following is a list of land development recommendations and/or incentives for municipalities to facilitate future affordable housing development:

- Reduce minimum dwelling unit size (BCLUP counts units under 500 sf as ½ du)
- Reduce minimum lot size or dimensions
- Reduce parking requirements, parking lot dimensions and landscape requirements
- Adopt standardized shared parking standards
- Reduce or remove Floor Area Ratio (FAR) requirements
- Regulate height based linear feet not stories (building code addresses feet per floor)
- Adopt open space requirements based on usable space(s) not percentages
- Reduce setback requirements or allow for more accessory uses within setbacks
- Establish land development standards for residential/mixed use in commercial districts
- Increase densities in neighborhoods that already contain non-conforming multi-family. (Many municipalities have zoned out multifamily or “missing middle” where this type of housing historically existed).

The provided recommendations and incentives are just a few and are not intended to be exhaustive. However, establishing policies or amending regulations to allow some of these items “by-right” or establishing flexibility and parameters to allow for waivers or reductions as an incentive proactively will expedite new affordable housing development.

#### Permitted Uses

Permitted uses designate what you can use your property for within a specific zoning district. Similar to land development regulations, many municipal permitted use tables have not been updated to allow for flexibility in permitted uses that support affordable housing.

- Permit accessory dwelling units (ADU’s)
- Permit mixed use/residential in commercial zoning districts, where appropriate
- Permit multi-tenant housing unit developments
- Permit 2 to 4 du multifamily in low to medium density neighborhoods as infill

#### Additional Regulatory Incentives

- Expedited permitting and navigator (ombudsman)
- Waiver or reduction of utility tap fees and connection fees
- Waiver or reduction of application fees or impact fees
- Development standards for review of air rights.
- Miscellaneous
- Municipal sale of air rights for affordable housing
- Inventory and disposition of rights of way and irregular parcels

All 31 municipalities in Broward should have land use and zoning regulations in place with appropriate densities for both multi-family and mixed-use development. Both multi-family and mixed-use zoning should provide a range of densities based on location and function.

Multi-family zoning should be allowed in all Broward County “Commerce” and “Activity Center” land uses. Mixed-use zoning should be allowed in all Broward County “Commerce” and “Activity Center” land uses and municipal downtowns.

Multi-family zoning should include densities ranging from low to high. A “low density multi-family” designation would accommodate a range of building types to address the “missing middle” housing type including townhouses, small apartment houses, and mid-sized multi-family buildings of medium height and density with usable areas of landscaped open space to meet the specific housing needs of each municipality. A low intensity multifamily zoning should allow no less than 25 units per acre. The zoning regulations should provide for a balance between landscape and buildings compatible with the surrounding neighborhoods with pedestrian-oriented buildings that actively engage the streetscapes.

A “high density multi-family” designation would accommodate various forms of multi-family housing of high height and density with usable areas of landscaped open space to meet the housing needs of a more urban setting within close proximity to job centers, transit and downtowns. High density multi-family zoning should allow not less than 75 units per acre with provisions up to 150 units per acre.

Mixed-use development is generally defined as a blend of two or more residential, commercial, cultural, institutional, and/or industrial uses situated in a pedestrian-friendly development.

Mixed use is one of the ten principles of Smart Growth, a planning strategy that seeks to foster community design and development that serves the economy, community, public health, and the environment.

The Urban Land Institute’s Mixed-Use Development Handbook characterizes mixed-use development as one that 1) provides three or more significant revenue-producing uses (such as retail/entertainment, office, residential, hotel, and/or civic/cultural/recreation), 2) fosters integration, density, and compatibility of land uses, and 3) creates a walkable community with uninterrupted pedestrian connections.

Mixed-use includes three-dimensional, pedestrian-oriented places that layer compatible land uses, public amenities, and utilities together at various scales and intensities. This variety of uses allows for people to live, work, play and shop in one place, which then becomes a destination for people from other neighborhoods. Mixed-use development is seen as fundamental to creating transit-oriented communities (TOCs), high performing activity centers, and more vibrant downtowns.

Mixed-use districts provide for a range of intensities in the Master Plan. Mixed-use districts will accommodate various forms and densities of mixed uses, including residential, commercial, retail, open space. The mixed-use districts are intended to provide a continuous, pedestrian-friendly urban environment, bringing together the activities of daily living, and reducing dependence on

vehicular mobility.

Low intensity mixed-use districts would be located along a municipality's primary corridors adjacent to single-family residential areas. High intensity mixed-use districts would allow the highest intensity of development located in activity centers, major commercial nodes, and downtown areas. Low intensity mixed-use districts should allow for a minimum of 25 dwelling units per acre and no less than 125 dwelling units per acre in a high intensity mixed-use district.

## F. Countywide Program and Regulatory Strategies

### Employer Assisted Housing

Housing that is affordable, available, and accommodates a range of household types and lifestyles is essential to attracting, retaining, and developing a diverse, productive workforce. As noted in Chapter II, the majority of occupations within Broward County's core industries - leisure & hospitality, health care, and retail have average wages that equate to household incomes in the Very-Low (50 percent AMI) and Low (80 percent AMI) household income categories. Excessive housing costs limit where workers can live shutting them out of living in municipalities where their experience and skills are needed to support local businesses, institutions, and local government. When workers choose to live elsewhere, businesses, institutions, and municipalities lose productivity because of unfilled jobs. Further, job seekers are discouraged from moving into high prices municipalities, while existing workers get pushed to less costly housing markets often out of state.

A "Broward County Employer Survey" conducted in the beginning stage of the Master Plan community engagement process provided clear evidence that Broward's and each municipality's economy are being affected by the shortage of affordable housing for workers. A total of 448 respondents representing the county's full range of business, institutional, and nonprofit employers participated in the survey. The survey results showed 40 percent of respondents had found it more difficult to recruit workers due to the lack of affordable housing. Another 60 percent responded that starting salaries aren't enough to attract talent or workers are leaving for higher pay. Another 26 percent of respondents noted that it was more difficult to recruit due to longer commute times. The survey found technicians and trade personnel were the most difficult to recruit and entry level positions among all employer types. Significantly, 85 percent of respondents were not willing to offer housing assistance or benefits to employees to help offset rising housing costs.

Given the far-reaching effects of Broward County's affordable housing shortage, all employers must take actions to alleviate worker household distress and the growing effects on the larger economy. One of the most popular and successful programs that employers can undertake is employer assisted housing (EAH). The purpose of EAH programs is to help close the homeownership and rental affordability gaps that limit where workers are able to live relative to their places of employment. Employer-assisted housing is any employer sponsored housing benefit including down payment assistance or rental assistance, home buyer education and counseling, low-interest mortgages to name a few. EAH programs offer a unified solution to housing, jobs, and transportation issues by empowering organizations to help their employees achieve homeownership, reduce turnover costs, reduce

commuting times, and contribute to local community development initiatives.

### Benefits of EAH

EAH programs have been shown to help attract and retain workers, and, ultimately, enhance the economic stability of communities. The following is a list of employer and employee benefits of an EAH program:

- Provides a more stable workforce when employees live near their place of work;
- Improved morale, less turnover and reduced recruitment result in bottom line savings;
- Can serve as incentives for employee recruitment and retention depending on how the assistance is structured; and
- The employee, beyond receiving financial support from an employer to buy a home closer to work, also gains extra time – formerly spent in traffic – for family or community life.

EAH is proven to increase retention, ultimately reducing turnover costs. Both the structure of forgivable loans and the increased employee loyalty and satisfaction motivate employees to maintain their relationship with the employer. A study by Aurora Medical Centers, of Milwaukee, Wisconsin found that their EAH employees had retention rates two to three times greater than their average employee or regionwide retention rates.

### Challenges of EAH

While EAH programs can offer many benefits to local employees and employers, studies have found they can be challenging to enact and difficult to maintain. Community members must build and sustain political will and funding for employer-assisted housing programs. Additionally, employer-assisted housing programs should be designed with attention to whom the program will benefit.

The National Housing Conference recommends that before designing an EAH program, it is helpful to understand the market needs of current and potential employees. Employers can determine these needs in a variety of ways, including sending out a formal survey to all employees, researching local housing markets, or partnering with a local housing or community development organizations to better understand the worker context of the community.

### Key Questions:

- 1) What are the goals of the program, i.e. reducing turnover, lowering commute times, attracting new employees?
- 2) Is housing affordable around the physical place of work, i.e., what does it cost to purchase a home? What does it cost to rent?
- 3) Is there sufficient affordable housing supply available around work location?
- 4) What percentage of current employees are commuting to work?
- 5) Is traffic or commute time an issue for employees getting to work?
- 6) Is housing and the local community a draw or drawback for potential employees to work at physical location?



### EAH Program Options for Broward County Employers

EAH programs vary based on employer type and geographic area. Given the wide needs of Broward County's workers, a range of EAH programs is recommended. Most often, a company's EAH fund helps employees with the down payment on a home in the form of a forgivable loan (under the condition that the employee stays with the company for a specified time frame).

Developing and implementing a basic down payment and closing assistance program has been proven effective and is fundamental to a larger EAH initiative. Most examples across the country involve a partnership between the employer and a local community organization that would provide homeownership counseling and administer other aspects of the programs.

According to the Chicago Metropolitan Planning Council (MPA), since 2000, 60 employers in Illinois have helped more than 1,000 employees purchase homes through down payment assistance. Employers such as the University of Chicago and Medical Center, Loyola University and Robinson Engineering all participate in a range of benefits that result from EAH. Loyola's housing program partners with the Northside Community Development Corporation (CDC) to educate and prepare all participants for home ownership, as well as to connect Loyola faculty and staff with available university, city, county, and state funding resources. The employer gets a state tax write-off on half of the amount it puts into an EAH. Based on the experience of companies that have participated in the program, the savings realized by the company in the diminished cost of employee turnover often makes up the difference.

Seattle-based HomeStreet Bank's "Hometown Home Loan Program" provides reduced loan fees and closing costs and free homeownership and money management education. A curriculum of financial education courses available to employees offered through local nonprofit organizations on home purchasing process and credit counseling. Eight employers have started participating in the EAH, including Lourdes Healthcare, Tri-Cities Community Health, and Red Lion Hotels. The Hometown Home Loan program received a national award for community reinvestment from the American Bankers Association.

EAH programs can also include land dedication. The Buncombe County Schools Williams-Baldwin Teacher Campus in Asheville, North Carolina is a partnership between BCS, Asheville City Schools, Eblen Charities' Center for Social Enterprise, Buncombe County, and the State Employees' Credit Union Foundation. The 24-unit Williams-Baldwin teacher-specific complex which opened in 2017 was developed through a coalition of public, private, and philanthropic institutions that provided both the land and financing for the project. The focus was on new full-time teachers. Teachers can elect to have their monthly rental payments deducted directly from their paycheck. Once the no-interest loan from the State Employee's Credit Union Foundation is paid off, the philanthropic organization will use the rental income from the units to fund programs that benefit area schools, teachers, and students.

### Model Ordinance for Accessory Dwelling Units (ADUs)

According to the American Planning Association (APA), an accessory dwelling unit (ADU) is a smaller, independent residential dwelling unit located on the same lot as a detached single-family home. ADUs go by many different names throughout the U.S., including accessory apartments, secondary suites, and granny flats. ADUs can be converted portions of existing homes, additions



to new or existing homes, or new stand-alone accessory structures or converted portions of existing stand-alone accessory structures. As an independent living space, an ADU is self-contained with its own kitchen or kitchenette, bathroom and sleeping area.



Source: *The ABCs of ADUs*, AARP.

ADUs have become a focus of counties and municipalities in the search for solutions to the national affordable housing crisis. As the need for affordable housing has risen exponentially over the last several years, ADUs have become increasingly popular structure type that can help address the affordable housing needs of both owners and renters and accommodate a range of household types including young families, seniors, empty nesters, and students. According to research conducted by Freddie Mac, ADUs have increasingly become a viable affordable option for people of all ages. The demand for ADUs is highest in the rapidly

expanding Sun Belt states of California, Florida, Texas, and Georgia, which account for half of the 1.4 million ADUs identified. Portland, Dallas, Seattle, Los Angeles, and Miami have been the fastest growing metropolitan areas, each with double-digit growth since 2015.

### The Public Benefits of ADUs

Granny flats, cottages, mother-in-law suites are not only attractive to older populations but are also desirable to young adults. They include children still living at home or homeowners who later in life want to downsize to a mother-in-law suite while their children live in the primary residence. As rentals, they can provide income that helps people, especially retirees who want to stay in their homes and feel more financially secure, and young professionals just out of college who might struggle to find affordable housing in their new surrounds.



Monterey Bay, California ADU. Source: County of Santa Cruz *My House My Home Program*.

Other ADU benefits include:

- ADUs are cheaper to build than other housing options and can be a naturally occurring form of affordable housing
- The rental income generated from the ADU can subsidize the cost of the primary unit – making ADUs an affordable housing tool for both the renter and landowner
- ADUs, because of their relatively small size, do not require additional land or major new infrastructure
- Care for the Elderly and Persons with Disabilities – ADUs can provide an opportunity to live on the same lot as their parents or other caregivers and can assist the elderly to “age in place.” ADUs are particularly well suited for lower-income elderly persons because in addition to receiving a source of income they may not otherwise receive, the elderly homeowner may obtain companionship and needed services from the tenant in the ADU
- “Granny flats” are a great way for older adults to downsize, age-in-place, or live close to a caregiver. A son or daughter can build an ADU in their backyard for their aging parent.



Accessory dwelling unit. Source: Better Homes and Garden; photo courtesy of Maxable.

#### ADU Compliance with Zoning Laws and Building Codes

In Florida, permitting accessory residential units in residentially zoned areas has been on the list of statutorily enumerated items found in Section 420.9076 (4)(e), Florida Statutes, since the passage of the William E. Sadowski Act in 1992. Florida Statutes (Section 163.31771(2)(a)) define ADUs as “an ancillary or secondary living unit that has a separate kitchen, bathroom, and sleeping area existing either within the same structure, or the same lot, as the primary dwelling unit.” If an ADU is constructed for family members of at least 62 years of age, Florida Statutes provides that a county may provide for a reduction in the assessed value of homestead property after the new construction. ADUs are not permitted in most residentially zoned areas in the State of Florida. However, many local governments, including St. Petersburg and Tampa, are amending or reviewing existing regulations on building ADUs to provide this housing type on a broader basis.

#### Key Provisions of a Model ADU Ordinance

Local permitting of ADUs can be an effective affordable housing program and regulatory strategy. As part of the Master Plan, Broward County should adopt a model ADU ordinance that all 31 municipalities would include in their zoning codes. The elements of the model ordinance include the following:

- Allow ADUs by right in all single-family districts as an accessory use
- Owner must occupy either the primary single-family residential unit or the ADU

- Maximum size of an ADU is limited to the lesser of 800 square feet or three-quarters of the living area of the main house size
- The ADU code is administered by-right with no discretionary review, except that some design compatibility with the main house is required for two-story ADUs. The building must match the main house or comply with general design guidelines.
- Setbacks the same as for an accessory structure and include an additional 5 feet from setback for second story
- No parking requirement if there is on-street parking available
- A waiver of impact fees for ADUs or fixed “de minimus” impact fee not to exceed \$100.

### ADU Incentives

A Broward County Model ADU Ordinance should provide incentives to low-to moderate-income homeowners and senior homeowners on fixed-income to construct ADUs on their property. Broward County and individual municipalities can create ADU Forgivable Loan Programs with the support of local lenders and nonprofit organizations such as Habitat Broward. The program could offer loans to homeowners who rent the ADU to low-income households at affordable rents for up to 20 years with the loan forgiven after 20 years if the ADU has been rented with this restriction.

The County of Santa Cruz partnered with Habitat for Humanity Monterey Bay and Senior Network Services to create “My House My Home” in order to help low income senior home owners build Accessory Dwelling Units (ADU). The goal of the program is to build ADUs on the properties of qualifying low-income seniors, 62

years of age or older and provide additional income and adjustable living situations to help seniors age in place.

The County’s financial assistance is in the form of \$80,000 loan at three percent (3%) simple interest, deferred for up to 30 years, or payable upon sale or transfer. In exchange for participating in the My House My Home Partnership, homeowners must enter into a deed restriction that will require them to rent the ADU or the primary home at a rent affordable to low income households, defined as those whose incomes are at or below 60% of Area Median Income (AMI). In addition to the County loan, program participants can access additional funding through Habitat for Humanity. Habitat also coordinates with Senior Network Services to provide outreach and case management assistance with supportive services to the homeowner, as needed. The County Housing Program certifies eligibility of the identified tenant household, while Habitat oversees the selection process and in the case of multiple applicants, a random drawing. The County monitors compliance annually. Homeowners may pay off the loan plus interest at any time and the restrictions are released.





## Locating Missing Middle Housing

Missing middle housing is defined by planners as “house-scale buildings with multiple units in walkable neighborhoods.” The varieties of missing middle housing include duplexes, triplexes, and fourplexes, courtyard apartments, bungalow courts, townhouses, multiplexes, and live/work units. Essentially, these structures are the middle of the housing spectrum, buildings ranging in size and density between a single-family detached home and a mid-rise apartment building.

The planning intent of establishing missing middle housing is to provide a residential structure type that fit seamlessly into existing residential neighborhoods and support walkability, neighborhood serving retail, and public transportation options. They can provide a viable solution along a spectrum of options to address the current mismatch between the availability of affordable housing and shifting demographics combined with the growing demand for walkability.



Source: Live work. Photo courtesy of Missing Middle Housing

Long term Euclidean and exclusionary zoning practices have established a preference in the U.S. for single-family homes and the sequestering of large multi-family residential buildings to a few small corners of larger cities. However, in recent years missing middle housing has become more accepted and popular with more laws being passed at the state and local levels to encourage and incentivize the development of missing middle housing.

In 2020, the Nebraska State Legislature passed legislation which included the Municipal Density and Missing Middle Housing Act. Rather than setting specific zoning or land use requirements or preempting local laws, the bill requires cities to provide detailed information about their housing needs and existing land use practices. The bill also requires cities to develop their own action plans to increase affordable, denser housing, through zoning reforms and other actions. In 2019, the Oregon Legislature passed a Housing Bill to expand options in residential zones. The legislation notes that local zoning rules have previously left out residential structures such as cottage clusters, townhouses and duplexes.

The City of Minneapolis recently established a “Missing Middle Housing Pilot Program” that has already produced three projects totaling 50 units, 28 of which are Long Term Affordable (LTA). The city recommended using Minneapolis Homes funding to fill gap between \$500,000 allocated through Missing Middle and total need of \$1,675,000 includes transfer of \$275,000 from HOME program income to support eligible homeownership programs, which in turn frees up \$275,000 of funds to support rental Missing Middle projects.

As noted on the Missing Middle Housing website <https://missingmiddlehousing.com> these legislative achievements have brought renewed attention to the term, and much of the news and commentary discussing these new laws noting that the term “missing middle housing” can be thought of as a shorthand for density and using the term “gentle density” interchangeably with missing middle housing.

While missing middle housing legislation and implementation has achieved some success in recent years, missing middle housing is still politically controversial in many communities viewed as a threat by some to the single-family zoning status quo. As an integral component of the Master Plan, it is recommended that all 31 Broward municipalities amend their zoning to include language that allows the development of missing middle housing in appropriate locations within their corporate limits. In addition, all 15 entitlement communities should create programs that incentivize missing middle housing development for both owners and renters.

#### Zoning Provisions for Multi-Tenant Housing Units (MTHUs)

Multi-Tenant Housing Units (MTHUs), also called efficiency apartments, or residential studio units, provide a low-cost housing option for single-person households. Traditionally, residents in MTHUs share kitchen, bathroom, and laundry facilities, but have a private room for living and sleeping. These small rental homes provide an affordable housing option for individuals who want to be located near their work and urban amenities but may not be able to afford a larger unit.

As Broward County continues to face significant affordable housing challenges, MTHU housing presents an opportunity to increase the supply of dignified housing affordable to people at

the lowest income levels, which is currently the largest gap in the County’s housing market. MTHUs presents an opportunity to provide a missing product in the affordable housing continuum – independent, stable, and dignified housing that is affordable to people with income below 50 percent of the area median, ideally without the need for additional rental subsidies. MTHUs also don’t require other government subsidies or tax breaks unlike many other affordable housing projects or initiatives like the Live Local Act. Except for heavily subsidized rent for a normal apartment, there is no other housing option that caters to non-family households (20%+ of all households) making less than \$35K.



Source: Live work. Photo courtesy of Missing Middle Housing

### MTHU Best Practices

Following decades of demise, MTHUs are becoming more common throughout the U.S. and Canada. The Coan Pond Residences in Fairfax, Virginia offers living accommodations for single adults with low income without the commitment of a long-term lease or the financial hardship of a large security deposit. Applicants must have a minimum income of \$19,940 and earn no more than \$59,820 per year. Each unit includes a twin bed and is designed to afford privacy and comfort at a price well below market rents. Rent is 30 percent of tenant income with renewal option every two weeks. Utilities – including local phone service included in the rent. There is a fee for local cable and WIFI access. Residents must supply their own linens (bedding, towels, etc.).

The proposed MTHU development on NW 5th Avenue in Delray Beach, Florida by Jetta Investment Company will provide clean, safe, and affordable housing to people with annual income under \$35,000. Jetta notes in their project proposal that in Delray Beach, 83 percent of households making under \$35K annually are spending more than 50 percent of their income on rent compared to only 9 percent of those making over \$35K per year.

Jetta's proposal is to upgrade an existing structure with 21st Century enhancements to internal and external features of the building. Rooms are 100-120 square feet (the size of an apartment bedroom). Residents share private, single-occupancy bathrooms with proposed upgrades to shared kitchens and elevators for seniors and disabled tenants. The communal design is intended to lower costs (monthly rent in the \$600 range) while providing tenants with a better living experience. The project does not require any tax breaks or government subsidies.



Coan Pond Residences; Fairfax, VA. Photo courtesy of Residences at Government Center.

The proposed upgrades to the property are intended to significantly improve the lifestyle of the residents and enhance the surrounding community. The addition of an elevator will greatly assist the elderly and disabled residents. Two additional, modern bathrooms will complement the expanded units, and the addition of a new dual-use kitchen will dramatically reduce the out-of-pocket food expense for tenants. Other proposed upgrades include central air conditioning, modernized and enhanced interior, and exterior security.



### Where it works

MTHU projects need to be near commercial nodes, stores, and resources utilized by the target renters, including but not limited to locations that have high- frequency transit access. The best sites for MTHUs share the same concepts and best practices in transit-oriented design, livable and walkable communities, and place-based strategies including:

- Express or high-frequency transit, and bike/walk routes
- Job activity centers and jobs accessible to MTHUs tenants (entry-level)
- Siting near commercial nodes creates access to those retail/low-skill jobs, along with the benefit of goods and services
- Ensure nearby amenities such as stores and resources preferred by the future renter
- Site in and near commercial nodes, including in the transition zone between commercial and single-family neighborhoods
- Share the concept and benefits of single room occupancy housing with cities to identify shared priorities and ideal locations
- Create a map of opportunity areas as a toolkit for developers and cities

### Zoning Regulations

A municipality's zoning regulations should encourage MTHU development in appropriate locations as summarized above. The regulation of MTHUs should include the following:

- Limit occupancy to 2 persons per room
- Make the MTHU use permitted rather than conditional
- Allow MTHUs wherever multi-family housing is already allowed (i.e. 4+ units per lot), and expand the amount of land where multi-family housing is allowed
- Require rental licenses and add a MTHU section to the ordinance or by-law
- If limiting ownership/management eligibility focus on past performance
- Identify key municipal staff experts to navigate MTHU development through the approval process



Proposed multi-tenant housing project in Delray Beach. Photo courtesy of the Sun Sentinel.



## Chapter V – Affordable Housing Legislative Agenda

The following legislative agenda is proposed as part of the Master Plan. Each proposed legislation will augment and help to sustain the affordable housing policy strategies for the 10-year term of the plan and beyond.

Authorization to place Miami-Dade type of Local Surtax as Countywide

Under Section 201.02, Florida Statutes, certain counties are authorized to levy a surtax on documents that transfer interest in Florida real property. Transfers of interest in single-family residences are exempt from this documentary surtax. In 1984, Miami-Dade County exercised this authority establishing a Housing Assistance Loan Trust Fund and implemented the Documentary Surtax Program (“Surtax Program”). This program benefits very low- to moderate-income families.

Authorization for a Broward County voter referendum authorizing the levy of a surtax on documents that transfer interest in Florida real property could provide an estimated value of \$40M-\$60M per year for affordable housing programs.

Amend State Impact Fee Legislation to define affordable housing as infrastructure allowing impact fee on new development

The proposed legislation would amend the State of Florida’s current impact fee legislation to define affordable housing as infrastructure thereby enabling the county to impose impact fees on large scale commercial development.

Lobby Congress/Federal Administration to maintain/increase Community Development Block Grant (CDBG)/HOME Grants  
The Federal Community Development Block Grant (CDBG) and HOME programs have been the leading HUD assistance programs for “Entitlement Communities” for over 50 years. Broward County has 15 HUD designated Entitlement Communities which is the most in the State of Florida. The Entitlement Communities currently receive approximately \$18 million annually. However, the CDBG and HOME funds have been significantly decreased over the last two decades at a time when the affordable housing needs in Broward County have increased sharply.

Protect Tax Exempt Bonds / Tax Credit Allocation Programs

The State of Florida’s Multifamily Mortgage Revenue Bond program (MMRB) uses both taxable and tax-exempt bonds to provide below market-rate loans to non-profit and for-profit developers who set aside a certain percentage of their apartment units for low-income families. These bonds are sold through either a competitive or negotiated method of sale or private placement. The program requires that at least 20 percent of the units be set

aside for households earning at or below 50 percent of the area median income (AMI). The developer may also opt to set aside 40 percent of the units for households earning at or below 60 percent of the AMI.

The Housing Credit (HC) program provides for-profit and nonprofit organizations with a dollar-for-dollar reduction in federal tax liability in exchange for providing equity financing for the rehabilitation (with or without acquisition), or new construction of low and very low-income rental housing units. A Housing Credit allocation to a development can be used for 10 consecutive years once the development is placed in service and is designed to subsidize either 30 percent (the 4 percent tax credit) or 70 percent (the 9 percent tax credit) of the low-income unit costs in a development. Qualifying buildings include garden, high-rise, townhouses, duplexes/quads, or mid-rise with an elevator. Ineligible development types include hospitals, sanitariums, nursing homes, retirement homes, trailer parks, and life care facilities. This program can be used in conjunction with the HOME Investment Partnerships program, the State Apartment Incentive Loan program, the Predevelopment Loan program, or the Multifamily Mortgage Revenue Bonds program. Broward County has benefited greatly from both the state MMRB and HC programs and therefore, require full legislative support.

Continue to evaluate applicable strategies in the State Live Local Act

The Live Local Act (SB 102) is a comprehensive, statewide workforce housing strategy, designed to increase the availability of affordable housing opportunities for Florida's workforce, who desire to live within the communities they serve. Live Local provided historic funding in FY 2023 for workforce housing along with a range of new programs, incentives, and opportunities, this legislation works to refocus Florida's housing strategy in ways that make housing more attainable. The Live Local Program Tax Credit gives businesses the opportunity to contribute to the Florida Housing Finance Corporation to benefit the State Apartment Incentive Loan (SAIL) Program, which provides low-interest loans for the development of quality affordable housing that can benefit a community's workforce, families and elders with low-to-moderate incomes. The Act also allows counties and municipalities to adopt an ordinance to exempt portions of property used to provide affordable housing.

The main concern with Live Local is that it provides that a county must authorize proposed multifamily and mixed-use residential projects as an allowable use in **any area zoned for commercial, industrial, or mixed use.**

Broward County supports Live Local's heightened funding level for state housing program in FY2023, but must advocate for a continuation of this funding level for the foreseeable future. Further, Live Local's circumvention of local comprehensive plans, land use, and zoning requires further examination as local governments need to be partners and have specific incentives for Live Local to perform at a higher level.

# Chapter VI – Performance Metrics

## A. Overview

A common refrain throughout the community engagement process by municipal officials was “tell us what to do.” The Master Plan provides a range of policy strategies that can be enacted and implemented by each municipality to respond the Master Plan’s theme “leading the challenge and sharing the burden.”

The Master Plan’s Housing Affordability Performance Metric Model was established to assist Broward County municipalities in measuring their progress in implementing their “share” of affordable housing development over the 10-year period of the master plan. Each municipality will need to be more pro-active in addressing the housing needs of their resident workforce and those workers who commute into their communities each day to work in local businesses, institutions, and nonprofit organizations.

The performance model’s premise is that affordable and accessible housing for working families and households is vital and the provision of affordable housing can only be effectively accomplished through coordinated and integrated policies that hold each municipality accountable for their adoption and implementation. Broward County’s affordable housing state of urgency must be grounded on the following understandings:

1. Each municipality has a “resident workforce” composed of working families and households whose mobility, opportunities, and quality of life are integral to the economic strength and character of each community;
2. Existing federal and state housing programs are, alone, insufficient in addressing the housing affordability needs of each municipality;
3. An effective and sustainable response to worker housing needs requires policies developed and implemented at the municipal and county levels of government;
4. There is a lack of coordination and integration in the administration of federal and state housing programs and important government layers that control or influence the delivery of affordable housing, including land use, zoning, and permitting;
5. Local affordable housing policies and programs must be performance-driven.

The performance model’s systematic and comprehensive approach is based on a set of drivers (lead indicators) that will measure and evaluate performance (outcomes) and “lag indicators” which focus on “results” measured on an annual basis. While the lead indicators identify the “how” and “why” of municipal performance in terms of affordable housing delivery, the lag indicators quantify the actual number of affordable housing units that have been produced or preserved as a result of implementing the Master Plan’s policy and program strategies and other initiatives that each municipality may adopt to address their affordable housing needs.

## B. Performance Management

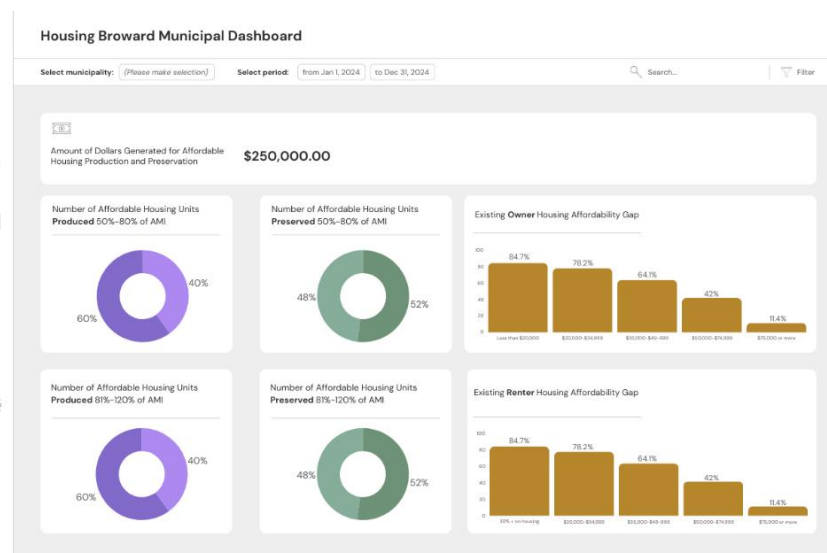
Each municipality should establish an oversight committee staffed by an appointed ombudsman to monitor progress in addressing its affordable housing gap as identified in the 2022 *Broward County Affordable Housing Needs Assessment*.

For municipalities that are recipients of State Housing Initiative Partnership (SHIP) funds, Affordable Housing Advisory Committees (AHACs) should have already been established as required by the Florida Statutes, Sec. 420.9076. AHACs are responsible for reviewing and evaluating local plans, policies, procedures, land development regulations, the Comprehensive Plan, and other aspects of a city's housing activities that impact the production and provision of affordable housing. Further, the AHAC is specifically directed by the SHIP Statute to consider and evaluate the implementation of the incentives set forth in Florida Statutes, Sec. 420.9076 (4)(a) - (k). Based on the AHAC evaluation, it may recommend to the local government to make modifications of, exceptions to, or creation of new plans, policies, procedures, and other governing vehicles that would encourage production of affordable housing. Recommendations by the Committee are used to amend the Local Housing Assistance Plan (LHAP) and the local Comprehensive Plan (Housing Element), and update the City's land development regulations, and other policies and ordinances affecting affordable housing.

For municipalities without an AHAC, it is recommended that a similar form of committee be formed and assigned the responsibility of overseeing the municipality's progress in addressing its affordable housing needs.

## C. Dashboard

The Master Plan's Housing Affordability Performance Metric Model will include a dashboard for tracking, analyzing, and displaying data to determine the overall performance of each municipality's progress in addressing its affordable housing needs. The dashboard will also enable each municipality to track their progress relative to other municipalities in Broward County.



*The above dashboard is a mock-rendition, created using Tableau of a potential municipal dashboard, tracking relevant housing affordability metrics.*

Municipality	Existing Owner Housing Affordability Gap	Existing Renter Housing Affordability Gap	Number of Affordable Housing Units Produced 50% 80% of AMI	Number of Affordable Housing Units Produced 81% 120% of AMI	Number of Affordable Housing Units Preserved 50% 80% of AMI	Number of Affordable Housing Units Preserved 81% 120% of AMI	Amount of Dollars Generated for Affordable Housing Production and Preservation
Coconut Creek							
Cooper City							
Coral Springs							
Dania Beach							
Davie							
Deerfield Beach							
Fort Lauderdale							
Hallandale Beach							
Hillsboro Beach							
Hollywood							
Lauderdale by the Sea							
Lauderdale Lakes							
Lauderhill							
Lighthouse Point							
Margate							
Miramar							
North Lauderdale							
Oakland Park							
Parkland							
Pembroke Park							
Pembroke Pines							
Plantation							
Pompano Beach							
Sea Ranch Lakes							
Southwest Ranches							
Sunrise							
Tamarac							
Weston							
Wilton Manors							

The above table is a mock-rendition of a potential municipal dashboard, tracking relevant housing affordability metrics.