

MONROE COUNTY
AFFORDABLE HOUSING ADVISORY COMMITTEE
MEETING V SUMMARY/MINUTES
DECEMBER 18, 2015



[Unanimously Approved 1/22/16](#)



Robert Jones, Facilitator
Affordable Housing Advisory Committee
FCRC Consensus Center, Florida State University

**AHAC DECEMBER 18, 2015 MEETING V SUMMARY/MINUTES
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MONROE COUNTY AFFORDABLE HOUSING ADVISORY COMMITTEE
MEETING V, DECEMBER 18, 2015
EXECUTIVE SUMMARY

Bob Jones, the Committee's facilitator, welcomed Affordable Housing Advisory Committee (AHAC) members as well as the public to the Committee's 5th meeting. He asked members present to introduce themselves and noted that several members had indicated they were unable to participate in today's meeting. The facilitator reviewed with the Committee the proposed meeting objectives and agenda which the Committee unanimously agreed to adopt as well as the Committee's draft November 20, 2015 summary/minutes without changes. Prior to adoption of the November summary, the Committee offered an opportunity for public comment but no comments were offered.

The facilitator noted that the first three meetings of the Committee had a primary focus on developing a response to the Committee's first three tasks. The November meeting focused on incentive strategy recommendations to address the requirement for the County to develop a Local Housing Assistance Plan every three years and recommend a surplus land inventory list to the Board of County Commission. Going forward, he noted the plan is for the Committee to complete an initial review of the remaining seven tasks assigned by the BOCC by Spring 2016 followed by a process to develop consensus on options and recommendations for each task. In light of the BOCC November 2015 Resolution staff was asked to formally invite representatives of the municipalities in the county to a workshop with the Committee to look for ideas and opportunities for coordination and collaboration. This workshop is contemplated as a part of the AHAC February 2016 meeting.

AHAC member Ed Swift brought to the Committee's attention a clarification of a statement he made at the November AHAC meeting. He noted that he had suggested the Old Town Key West density was 25-35 units per acre. However after discussing with Don Craig, former Key West Planning Director, he noted it is in fact 22 units per acre. Mr. Swift had sent a written clarification in November as well as affordable housing data on two case studies to staff. Staff was instructed by legal counsel to ask Mr. Swift bring it up at the December meeting and read the note into the record. Mr. Swift indicated his frustration that he could not correct the statement in advance of the December meeting.

The Committee discussed with the County Attorney the protocols for members to send information to other members consistent with the Florida Sunshine laws. It was agreed that members, who have access to information sources that may be of interest to the Committee, could send that information, but not their opinions, to Mayte Santamaria, Carol Schreck or facilitator Bob Jones for circulation to all AHAC members between meetings.

Jodi Weinhofer, a AHAC member and regular attendee at the Key West Mayor's Committee provided an update on the work including a referendum scheduled for March on Peary Court as a permanent rental. It was suggested the Committee consider inviting Jimmy Weekley and Manny Castillo to provide an overview of the Peary Court project.

The Committee discussed the challenge of preserving existing expiring restrictions (Task # 9b) as well as enforcement of laws regarding ground floor enclosures and collection of property and tourist taxes. Staff summarized the FEMA effort to eliminate downstairs enclosures and is conducting ongoing

audits related to implementing the flood plan as well as the County efforts to eliminate the enclosures. In terms of legal enclosures, it was suggested the County did not have control over rental prices.

Staff was asked to explore whether other statewide organizations such as the Affordable Housing Coalition and the Florida Housing Finance Corporation and Department of Economic Opportunity might be able to provide information on topics and tasks the Committee is addressing. Staff noted they were on the communication list for the Committee's notices.

The facilitator noted the focus of presentations would be on local funding sources for expanding workforce housing in Monroe County (Task #8). Mark Moss, Executive Director, Habitat for Humanity of Key West & the Lower Florida Keys & Christine Todd Young, Executive Director, Habitat for Humanity of the Middle Keys and Jack Niedbalski, Executive Director, Habitat for Humanity of the Upper Keys each offered comments on their work and the importance of public/private partnerships in addressing workforce housing projects and funding. Mr. Moss described their programs as small but effective and noted the importance of their partnership with the County and the Monroe County Land Authority funding in building new affordable homes. He highlighted the Lower Keys Habitat's business model has been to build 3-4 new homes a year. He underscored how the lack of Sadowski funding over the past several years during the recession has proved problematic for building new workforce housing. He also noted that any additional local funding sources would help to leverage other funding and produce more workforce housing. In Key West affordable housing will need density as there is less land to build on. To help with workforce housing needs, Habitat could build smaller for single mothers and smaller families. Chris Todd noted that while the general Habitat model is the build new affordable homes, they could also work with the County and Marathon to rehab and redevelop workforce housing. Jack Niedbalski, Executive Director, Habitat for Humanity of the Upper Keys noted their goal to continue the partnership with the County to develop affordable housing projects in Monroe County. They believe they are an important part of the larger puzzle of providing affordable workforce housing in Monroe County. They understand the need is greater than their current models allows them to build. He noted that in the upper Keys the problem is they are quickly running out of land.

In response to their presentations the Committee discussed the following topics: focus on workforce housing rental but keep homeownership in the mix; hotel and tourism need rental housing; the desire to build equity vs. housing stability; rehabs vs. new construction; micro-housing; Sadowski funding needed for affordable housing; higher density, smaller workforce housing units needed; environmentally sensitive lands and affordable housing; moderate income and community engagement; Marathon Manor; employer responsibility for workforce housing; buying back deed restrictions; and land trusts as a tool.

Dianna Sutton, President and CEO of the Community Foundation of the Florida Keys provided a briefing on their mission to improve the quality of life throughout Monroe County through philanthropy in collaboration with individuals and partnerships with not for profit organizations. 2016 is their 20th anniversary and they have given over \$20 million in grants over the last two decades and have \$13 million in assets. There is currently an endowment fund created by a developer to provide small \$10,000 donor advised grants annually to help with affordable housing initiatives in the County. 2 years ago the Foundation received a donation of a house as part of a trust of local individual. This property was ultimately sold to AIDS Help for rentals for their clients and individuals. In response to the presentation the Committee discussed the following topics: does the Foundation support advocacy work; Foundation's organizational structure; and establishing a workforce housing fund.

The facilitator noted that Task 9 includes several tasks related to funding workforce housing. Mayte Santamaria presented the Committee with an overview of the various funding sources including the Sadowski Fund which generates revenue from real estate doc stamps which is placed in the Local Government Housing Trust Fund. The County's estimated share is \$859,000 for SHIP funding in 2016/17, but the Governor's budget only provides for \$34 million for SHIP and for \$97 million for SAIL funding (rental assistance). The referendum directs but doesn't bind the legislature.

Ms Santamaria noted in relation to Task 9b, that in conversations with staff from the Land Authority, they believe that there is no statutory change needed for providing Land Authority funds to extend deed restrictions. They described it as an opportunity based program the Committee may want to provide recommendations on to the BOCC. In response to the presentation the Committee discussed the following topics: extending or purchasing lapsing deed restrictions; Land Authority funding for affordable housing land and buildings; history of the creation of the Land Authority; Land Authority funding of affordable housing; and list of units purchased per year by the Land Authority.

Mayte Santamaria briefed the Committee on the Tourist Impact Tax noting that currently the tax yields about \$5.8 million annually with the funds split between the County's general fund and the Monroe County Land Authority. Of the 2.8 million to the Land Authority, this is split between Monroe County outside of Key West and Key West. She noted that revenues have been increasing as property values have risen and tourism increases. In Key West due to the shortage of affordable housing and limited remaining environmentally sensitive lands to acquire, 80% of the funds are spent on affordable housing and 20% on environmental land purchases. In Monroe County 75% of the funding is spend on environmental purchases and 25% on affordable housing. In response to the presentation the Committee discussed the following topics: Tourist Impact Tax is a state tax; the Tax is not a mandated but voluntary local tax; increase the Tourist Impact Tax? Consider the 2009 extra penny? Share the Burden across the Tourist Sector; Hotels drive need for more tourist services; Hotels providing workforce housing; BOCC commitment to finding workforce housing solutions; Median income housing; Amendment 1 funding and affordable housing; and preserving existing affordable workforce housing.

The facilitator noted that this was the beginning not the end of the conversation and the effort to begin developing together some recommendations. The Committee is aware of the challenging nature of this issue and will need further consideration of a combination of strategies to address the funding of the needed workforce housing.

An opportunity for public comment was offered at the conclusion of the Committee's discussion of each task. The facilitator reviewed the potential topics for the January 2016 AHAC agenda including Tasks 10 dealing with inclusionary housing, reviewing affordable housing costs and reviewing the plans for a roundtable with municipalities in February 2016 consistent with the BOCC resolution directed the Committee to invite representatives from the municipalities in Monroe County to an AHAC meeting to review tasks and hear of ways to coordinate and cooperate on the issue of workforce housing in the Keys. Staff would review whether it might be possible to invite Manny Castillo and Commissioner Weekley at a future Committee meeting to get a briefing on Peary Court. The Committee completed a meeting evaluation form (*See Appendix # 3 for an evaluation summary*) and adjourned at 1:00 p.m.

MONROE COUNTY AFFORDABLE HOUSING ADVISORY COMMITTEE
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MEETING SUMMARY/MINUTES

AHAC Members in attendance: **Jim Cameron, Ed Davidson, Bill Hunter, Warren Leamard , Stephanie Scuderi, Ed Swift, Randy Wall, Jodi Weinhofer, Bill Wiatt & Heather Carruthers, Monroe County Commission Liaison Sylvia Murphy, Monroe County Commission Liaison**

AHAC Members unable to attend: Hana Eskra, Ken Naylor, Tim Root & Jim Saunders,

Staff: **Mayte Santamaria, Carol Schreck, Steve Williams, Kevin Bond, Peter Morris, & Tiffany Stankiewicz**

Facilitator: **Bob Jones, FCRC Consensus Center, FSU**

I. INTRODUCTION

A. Review of Agenda and November Meeting Summary/Minutes

Bob Jones, the Committee' facilitator, welcomed Affordable Housing Advisory Committee (AHAC) members as well as the public to the Committee's 5th meeting. He asked members present to introduce themselves and noted that several members had indicated in they were unable to participate in today's meeting. The facilitator reviewed with the Committee the proposed meeting objectives and agenda (*See Appendix #1*) and the handouts (*See Appendix #8*) which the Committee unanimously agreed to adopt as well as the Committee's draft November 20, 2015 summary/minutes without changes. Prior to adoption of the November summary, the Committee offered an opportunity for public comment but no comments were offered.

B. Review of the Committee Work Plan

The facilitator noted that the first three meetings of the Committee had a primary focus on developing a response to the Committee's first three tasks. The November meeting focused on incentive strategy recommendations to address the requirement for the County to develop a Local Housing Assistance Plan every three years and recommend a surplus land inventory list to the Board of County Commission. Going forward, he noted the plan is for the Committee to complete an initial review of the remaining seven tasks assigned by the BOCC by early 2016 followed by a process to develop options and recommendations for each task.

In light of the BOCC November 2015 Resolution staff was asked to formally invite representatives of the municipalities in the county to a workshop with the Committee to look for ideas and opportunities for coordination and collaboration. This workshop is contemplated as a part of the AHAC February 2016 meeting.

C. Other Matters

AHAC member Ed Swift brought to the Committee's attention a clarification of a statement he made at the November AHAC meeting. He noted that he had suggested the Old Town Key West density was 25-35 units per acre. However after discussing with Don Craig, former Key West Planning Director, he noted it is in fact 22 units per acre. Mr. Swift had sent a written clarification in November as well as affordable housing data on two case studies to staff. Staff was instructed by legal counsel to ask Mr. Swift bring it up at the December meeting and read the note into the record. Mr. Swift indicated his frustration that he could not correct the statement in advance of the December meeting.

The Committee discussed with the County Attorney the protocols for members to send information to other members consistent with the Florida Sunshine laws. After considerable discussion it was agreed that members, who have access to information sources that may be of interest to the Committee, could send that information, but not their opinions, to Mayte Santamaria, Carol Schreck or facilitator Bob Jones for circulation to all AHAC members between meetings. The facilitator noted that it was important to protect the integrity of the Committee's work in terms of Sunshine procedures, and indicated that Ed Swift's email to staff and a summary of the Committee's discussion would be included in the December 2015 meeting summary/minutes. (*See Appendix #6*)

Jodi Weinhofer, a AHAC member and a member for the Key West Mayor's Committee provided an update on the work including a referendum scheduled for March on Peary Court as a permanent rental. She also noted the Lodging Association's meeting in early January will feature a presentation from Jimmy Weekley and Manny Castillo which the Committee members are invited to attend. A PAC has been formed to educate voters on the referendum. Ed Swift described his work with Commissioner Jimmy Weekley in forming the PAC and developing a set of frequently asked questions and answers. He suggested the Committee consider inviting Jimmy Weekley and Manny Castillo to a committee meeting or the upcoming intergovernmental workforce housing meeting to describe what they are doing and its implications for addressing workforce housing in Monroe County.

The Committee discussed the challenge of preserving existing expiring restrictions (Task # 9b) as well as enforcement of laws regarding ground floor enclosures and collection of property and tourist taxes. Staff summarized the FEMA effort to eliminate downstairs enclosures and it conducting ongoing audits related to implementing the flood plan as well as the County efforts to eliminate the enclosures. In terms of legal enclosures, it was suggested the County did not have control over rental prices.

Staff was asked to explore whether other statewide organizations such as the Affordable Housing Coalition and the Florida Housing Finance Corporation and Department of Economic Opportunity might be able to provide information on topics and tasks the Committee is addressing. Staff noted they were on the communication list for the Committee's notices.

II. WORKFORCE HOUSING FUNDING STRATEGIES

The facilitator noted the focus of presentations would be on local funding sources for expanding workforce housing in Monroe County (Task #8). He noted that Jessica Bennett, Director of Market Research, Tourist Development Council, was scheduled to present on the history and implementation of the 1-Cent Tourist Impact Tax, but was ill and her presentation would be rescheduled for a later meeting.

Task #8 - Explore and propose expanding local funding sources (local government, private/public partnerships, community and charitable organizations) to help expand workforce housing in Monroe County.

A. Public/Private Partnerships

Mark Moss, Executive Director, Habitat for Humanity of Key West & the Lower Florida Keys & Christine Todd Young, Executive Director, Habitat for Humanity of the Middle Keys and Jack Niedbalski, Executive Director, Habitat for Humanity of the Upper Keys each offered comments on their work and the importance of public/private partnerships in addressing workforce housing projects and funding. Mr. Moss reviewed several handouts regarding the nature of the programs Habitat runs in Monroe County (<http://www.monroecounty-fl.gov/Archive.aspx?AMID=48>);). He described their programs as small but effective and noted the importance of their partnership with the County and the Monroe County Land Authority funding in building new affordable homes.

Mr. Moss highlighted the Lower Keys Habitat's business model has been to build 3-4 new homes a year. He noted the partnership with the County and the Land Authority means that the Land Authority buys the land and Sadowski funds have been used to build the homes. He underscored how the lack of Sadowski funding over the past several years during the recession has proved problematic for building new workforce housing. Last year the Legislature provided \$75 million of a total \$288 million in Sadowski fund. He also noted that any additional local funding sources would help to leverage other funding and produce more workforce housing. He noted that building costs are lower because they are not trying to make profit and the mortgage payments of about \$1100 and reduced home insurance due to new construction meet keep these housing costs within the 30% of homeowners income. He appreciated the County's willingness to waive impact and permit fees on their affordable housing projects. In Key West affordable housing will need density as there is less land to build on. However, that will require addressing hurricane evacuation and ROGOS to allow for more density. The homes in the lower keys provide about 1100-1200 square feet with 2-3 bedrooms and 2 baths. To help with workforce housing needs, Habitat could build smaller for single mothers and smaller families. He also noted Habitat in the past with DCA support helped with shuttering homes for hurricane protection. With sea level rise there will be a need to find ways to harden our home.

Chris Todd noted that while the general Habitat model is the build new affordable homes, they could also work with the County and Marathon to rehab and redevelop workforce housing.

Jack Niedbalski, Executive Director, Habitat for Humanity of the Upper Keys noted their goal to continue the partnership with the County to develop affordable housing projects in Monroe County. They believe they are an important part of the larger puzzle of providing affordable

workforce housing in Monroe County. They understand the need is greater than their current models allows them to build. He noted that in the upper Keys the problem is they are quickly running out of land. They can build cheaper than rehabilitation because of working with the Land Authority to cover the cost of land. In the upper Keys the smallest lot is \$95,000 that gets added to construction making the homes too expensive. He noted that Habitat in general is not in the rental business.

Committee Comments and Q & A

- **Focus on workforce housing rental but keep homeownership in the mix.** If the workforce housing need is more on the rental side, what would it take to work with Habitat on the rental side? A: Don't like pitting this as an either/or. It is a problem to pit rental vs. homeownership. In terms of renting the Habitat International is concerned with their brand and rentals. They have two 12 unit rentals in Key West and Stock Island with the possibility of converting to ownership in the future. We understand there is a need for both rentals and homeownership.
- For the hotel and tourist workforce we are probably need to focus on rental workforce housing and small is the key and the County needs to use land and funding and get others to step up to the plate to provide for this. A: Habitat's model addresses only part of the overall challenge and addresses serving teachers, managers, public employees, firefighters, etc.
- Focus on rentals without walking away from supporting home ownership.
- **Equity vs. Stability.** What about the issue of equity in home ownership and creating two classes of owners? A: The families we work with would trade the equity for a stable home arrangement.
- **Rehabs vs. new construction.** What about a partnership for rehabbing existing (e.g. Marathon Manor) properties?
- **Microhousing.** What about micro housing, e.g. 600 square feet? A: Seahorse project on Big Pine Key featured 600 feet or smaller homes all modular micro housing.
- What about average turnover on their properties and who administers? A: Of 27 homes there have been 3 in the Middle Keys, called "recycled" in Habitat language. Habitat has the first right of purchase back and they will select a new family and get them settled.
- **Sadowski Funding needed for affordable housing.** Challenge with funding for past projects is not there now. The ability to do 18 homes on Big Coppitt for \$4 million was made possible by Sadowski funding, tax credits and a loan from the Community Land Trust initiative. For this to work the Legislature has to provide the County with its share of the Sadowski funding.
- **Higher density smaller workforce housing units.** Is there a way that 1 bedrooms and studios could be built, higher density smaller units for workforce housing on publicly owned land in Key West? Would Habitat be open to a partnership with the County and City that provides for rental stability and manages the property. A: There is probably a solution by creating subsidiaries to pursue.
- **Environmentally sensitive lands and affordable housing.** We have to be careful of dealing with environmentally sensitive lands for affordable housing ROGO lots (e.g. 50% clearing permission on ROGO lots). No point in trying to skip across the Tier designations.

- **Moderate income and community engagement.** People of moderate income need to put down roots as the backbone of our communities (coaches etc.). We need to look at both home ownership and rental for our workforce.
- **Marathon Manor.** School Board 's will be making decisions on Marathon Manor and the possibility of developing it for workforce housing for teachers in particular. The hope is to create up to 65 rental units with a teachers first preference.
- **Employer responsibility for workforce housing.** Employers in Monroe County need to step up and take responsibility for employee housing (e.g. Rockland Key and Mote Marine). They should be providing 30% of the employee total. A: Rockland overlay will require that the development will have an AH component with County that is mutually agreed upon. The developer presented to the County a 2-page study that housing exists so there isn't a need to build workforce housing. The County did not agree.
- Mote Marine is redeveloping to include 12-14 units on site for their researchers.
- Commercial developers should either contribute to the trust fund or build it yourself.
- **Buying back deed restrictions.** Have we considered buying back deed restrictions prior to expiring? A: This is part of the Committee's charge as it relates to Land Authority funding. We have had experience in trying to buy back Duck Ave. We need funding to help buy back the expiring deed restrictions. We should have a fund in the County to help in buy backs.
- **Land trusts** are a tool worth considering especially in a limited market (even though they got a bad name in Key West with the Bahama Conch Community Land Trust controversy) County could create its own land trust as an option to keep land easement restrictions in perpetuity.
- The alternative to deed restricted lands would be ownership of the land by the County. E.g. Park Village- the County paid ½ the value of the land and then rented it back to the developer with a 99 year affordable housing deed restriction. The homeowners owned the building, the government owned the land. The County's lease hold was used on the on other projects such as the Keys Energy railway.
- You either have to have free land or a cash subsidy. Public ownership of land should take the place of deed restrictions. The Salt Ponds had a 25 year deed restriction and the day the restriction lapsed, within 1 year every person was gone as rent went up.
- Concern that when today's government owns the land, tomorrow's government could sell it.
- Is the Committee to look at affordability and mechanisms for keeping housing in perpetuity? A: Perhaps the task to determine if the Land Authority should use its funding to extend or buy back deed restrictions.
- Jamie Ross with the Florida Affordable Housing Coalition may be able to provide the Committee with information on affordable housing, land trusts and other models.
- The Monroe County study is not about impact fees but how to quantify appropriate inclusionary ratios for commercial properties to ensure workforce housing will be created.

B. Community and Charitable Organizations

Dianna Sutton, President and CEO of the Community Foundation of the Florida Keys provided a briefing on their mission to improve the quality of life throughout Monroe County through

philanthropy in collaboration with individuals and partnerships with not for profit organizations. 2016 is their 20th anniversary and they have given over \$20 million in grants over the last two decades and have \$13 million in assets. They average \$1 million in grants each year. They manage 130 donor funds a third of which are established by Monroe County non profits. They estimate they have \$30-40 million in legacy gifts. She suggested the country is on the brink of an intergenerational transfer of wealth which is expected to generate a significant amount of resources and the estimates for Monroe County are higher than the national average. They are building a philanthropic endowment for today and the future and they promote volunteerism, civic engagement and strengthening the non-profit sector. They have also served as a convener and recently worked with the Florida Chamber on identifying key issues for the Keys and affordable housing was their topped ranked issue. There is currently an endowment fund created by a developer to provide small \$10,000 donor advised grants annually to help with affordable housing initiatives in the County. 2 years ago the Foundation received a donation of a house as part of a trust of local individual. This property was ultimately provided to AIDS Help for rentals for their clients and individuals.

Committee Comments and Q & A

- Does the Foundation do advocacy work for public policy? For example, would they support the Peary Court purchase PAC or do any advocacy work? A: We have chosen not to do any lobbying or direct advocacy on policy.
- What is the structure of CFFK? The Foundation has a Board of Directors and staff help to guide and administer donor funding. For example an individual might establish a fund for \$1 million to further the affordable housing work of Habitat for Humanity. Others could join and add to that fund or create their own. The foundation manages endowments and funds for other non profits in the Keys. The return on investment over the past 15 years has be 9% on their investments. The Foundation serves the entire keys and can work and create affiliates under their umbrella for other cities in the Keys. The majority of donors to date have focused their giving in Key West.
- How are grants administered? They are designated by donors in particular areas. The Foundation will be announcing grant program on Jan 20th for the 20th anniversary and will be giving \$160,000 in 3 focus areas.
- **Establishing a workforce housing fund.** Does the Foundation have any interest in expanding that kind of use or dedicated fund for building affordable housing or a fund or help individuals in terms of loans, etc. *A: Yes, a donor advised fund could be established and the Foundation would be very interested in helping to create and design that and help individuals and businesses pool their funds.*
- The Foundation is interested in exploring opportunities to support public/private partnerships in affordable housing.
- In terms of the Committee's tasks they are exploring how to expand local funding sources for affordable workforce housing through public private partnerships and the role of charitable sector. Are there potential opportunities for that? A: The Foundation would welcome businesses and individuals to create a fund and then determine the criteria to identify recipients for workforce housing. It could create a loan fund for mortgages – down payments, purchases for rental properties or support the building of additional housing.
- Please consider running with that idea of about setting up special fund. You have the direction from the Committee. A: If you could encourage all the chambers and other

businesses in the County to come together to start the fund I'm sure the Foundation would want to participate and help.

C. Sadowski Funding

The facilitator noted that Task 9 includes several tasks related to funding workforce housing. He noted that the presentation from Jessica Bennett, Director of Market Research, Tourist Development Council on the history and implementation of the 1-Cent Tourist Impact Tax would be rescheduled for a future Committee meeting due to illness.

Task #9 - Review and consider recommendations to the BOCC for amendments to statutes to address:

- a Sadowski Trust Fund donor inequity,
- b Allow Land Authority funds to be used for extending deed restrictions or buying back expired deed restrictions to preserve affordable housing,
- c Amend Low Income Housing Tax Credit (LIHTC) program to require on-site management longer than 15 years,
- d Amend or increase 1 cent Tourist Impact Tax to provide dedicated funding for the provision of workforce housing specifically for the hospitality industry.

Mayte Santamaria presented the Committee with an overview of the various funding sources including the Sadowski Fund which generates revenue from real estate doc stamps which is placed in the Local Government Housing Trust Fund. She noted that 70% of the funds are to be directed towards the SHIP program (State Housing Initiatives Partnership) and 30% towards the SAIL program (State Apartment Incentive Program) administered by the Florida Housing Finance Corporation. The County's estimated share is \$859,000 for SHIP funding in 2016/17, but the Governor's budget only provides for \$34 million for SHIP and for \$97 million for SAIL funding (rental assistance). The facilitator noted the earlier discussion with Habitat for Humanity on the importance of Sadowski funding for workforce housing and pointed out that the Committee will develop recommendations to the BOCC regarding the donor inequity in accessing Sadowski Trust Funding.

Committee Comments and Q & A

- Where does the Sadowski fund stand this year? A: *We don't know as no budgets have been set. There is \$325 million in the Fund with \$225 million for local governments and SHIP and 97 million potentially available for SAIL. No funds have been allocated since 2007/2008. It is \$.70 cents on each \$100dollars of real estate transactions.*
- If citizens voted for this, how can we get the Legislature to allocate it to address workforce housing? A: *the Referendum doesn't bind but directs the Legislature. No legal mechanism to force the legislature to provide the funding.*
- Does the % we get as a county relate to the % we give into the fund? A: Yes.

D. Powers of the Land Authority

She noted in relation to Task 9b, that in conversations with staff from the Land Authority, they believe that there is no statutory change needed for providing Land Authority funds to extend deed restrictions. They described it as an opportunity based program the Committee may want to provide recommendations on to the BOCC.

Committee Comments and Q & A

- **Extending or purchasing lapsing deed restrictions.** This may be a difficult negotiation to purchase or extend a deed restriction that is about to lapse. Perhaps earlier in the process it might be possible.
- **Land Authority Funding for Affordable Housing Land and Buildings.** We should invite Mark Roush to a future meeting to brief us on the Land Authority and its potential role in providing money for both land and building affordable housing. The change in statute allowed funding for building in the City of Key West because they don't have a lot of land.
- On the other hand Monroe County has far greater land acquisition demands with 8,800 parcels and only 1970 permits. It is probably more important for Monroe County to purchase land than to build.
- **History of the creation of the Land Authority.** Ed Swift recounted the history of the development of the law in the early 1980's and was based on a successful program in the Pinelands of New Jersey and direct it towards affordable housing. However in order to get it passed in the legislature environmental purchases were added. For the next 25 years the Land Authority spent much of its funding on environmental purchases. It's only since the mid 2000s when the focus for housing become so critical that Land Authority began to fund affordable housing land purchases. The good news is that the City of Key West will use \$10 million as down payment on Perry Court if the upcoming referendum passes. If not, the Land Authority will probably build somewhere. Its important to buy all the land we can for affordable housing.
- What year did we begin spending Land Authority funds on affordable housing? *A: 1992.*
- **Land Authority funding of affordable housing.** According to figures, during the first 14 years of the program \$7million was spent on affordable housing.
- **List of units purchased per year by the Land Authority.** Do we know how many units per year have been purchased with these funds for affordable housing? *A: \$13,700,000 with 818 units excluding Key West. Hope to bring Mark Rouch, the Land Authority director, to a future meeting to brief the Committee.*
- Keep in mind that the environmental purchases help the City and County avoid takings issues.

E. Tourist Impact Tax

Mayte Santamaria briefed the Committee on the Tourist Impact Tax noting that currently the tax yields about \$5.8 million annually with the funds split between the County's general fund and the Monroe County Land Authority. Of the 2.8 million to the Land Authority, this is split between Monroe County outside of Key West and Key West. She noted that revenues have been increasing as property values have risen and tourism increases. In Key West due to the shortage of affordable housing and limited remaining environmentally sensitive lands to acquire, 80% of the funds are spent on affordable housing and 20% on environmental land purchases. In Monroe County 75% of the funding is spend on environmental purchases and 25% on affordable housing.

Comments and Q & A

- In terms of the Tourist Impact Tax, a half penny goes to the Land Authority and 4.5 pennies go to the general fund.
- **State tax.** This is state tax – not a Monroe County tax. Any change will apply to rest of state. Area of Critical concern provisions does not apply. So you will be battling Orlando, etc. It will not happen.
- Is 5% the maximum penny? Knowing the problem is felt across the state, why would there be a fight to raise to 6 or 7 cents?
- **Not a mandated but voluntary local tax.** This is not a mandated tax. Every county can opt into it based on lodging collecting that money. The tax created for one reason; advertising. Lodging voluntarily collects tax to sustain the industry. Not everyone collects it. Can't be changed because area critical state concern. It's been tried a couple of times.
- **Increase the Tourist Impact Tax?** The design of the penny is that tourists cost Monroe County and the tax is a way to get money back to county for services, etc. Hotels didn't like it initially. We ask hotels to collect the money and they don't like it. I will be proposing increase in tourist tax and turn over the extra penny to affordable housing. The hotel industry won't like it. But we have to build affordable housing units and we don't have another revenue source.
- What is the likelihood of raising the tax. There are Legislative issues around other 4 cents. \$34m last year and going up so before raising 1 cent tax. Any legislative prohibition on using a portion of the other 4 cents on affordable housing? Taking portion of 4 cents. So that's off table from leg standpoint
- Money has been diverted in counties to into beach re-nourishment and cultural. Taking funding away from the TDC's advertising budget would be declaring war.
- Which war do we want to fight? Raising 1%-2% or taking on TDC advertising?
- **Consider the 2009 extra penny?** We increased the extra penny in 2009 to stimulate tourism and offset the impacts of the recession. Given the current strength of the economy and our destination, do we need that extra penny for advertising.
- With a projected 4 million visitors isn't it reasonable to transfer costs to share burden with all who use it. In 2009 TDC & Monroe County worked together to increase bed tax from 4 to 5 cents in the face of the recession. Instead of increasing the tax further, we take some of extra penny to support affordable housing. rather than raising tax.
- Industry is concerned that history has demonstrated that money was not used for affordable housing and most of the housing that was built was not for hotel employees.
- **Share the Burden across the Tourist Sector.** In addition this is taking bed tax money from one industry when others involved in tourism, E.g. retailers, restaurants and bars are not contributing but should share the burden.
- Other tourist based communities have looked to liquor taxes so that the burden is shared. Should not rely solely on bed tax.
- Retailers not contributing anything. Restaurant and bars are huge employer – other communities have done things like liquor tax. These will all be battles but the burden should be more fairly shared.
- **Hotels drive need for more tourist services.** The current expansion of hotels also drives the need for more restaurants, attractions etc. so there is a connection that almost makes sense.

- The perception is that lodging is tax collector for all tourists going to attractions and restaurants.
- **Hotels providing workforce housing.** Many hotels have developed their own workforce housing.
- Do know anecdotally that a lot of lodging are providing housing, however if lodging is doing so and is off the hook, they need to let public know they are.
- We need to make note of hotels that providing housing - some are and some aren't. Who are hotels putting into these units?
- **BOCC commitment to finding workforce housing solutions.** The BOCC put \$2 million from infrastructure sales tax to support land acquisition for affordable housing. It is not fair to say burden is totally on lodging.
- **Median income housing.** Median income is hard to build at current density without subsidy. Got to find a way to build median income housing. The rest of the state doesn't have that problem.
- **Amendment 1 funding** should be considered as it could be used for environmental land purchases and free up funding for affordable housing.. Currently there are two pending constitutional lawsuits against the Legislature for refusing to execute the amendment that passed with over 75% support.
- **Preserving existing affordable workforce housing.** In terms of Peary Court, who currently lives there are they income restricted, military or others? A: The Land Authority has a list of who lives there and they are mostly workforce. About 20% are military. Others are county employees.
- It is important that we preserve existing AH and it is part of the Committee's purpose. Not generally an advocate of government being in housing business but someone has to and they're only ones that don't need to make profit.
- Who owns it permanently? Local investors? A: It is hard to drill down to individual RIT.
- Do we want to preserve 160 units for workforce housing. If we don't buy this it will be sold to developers for \$600,000 plus condos.
- This is the next Truman Annex. We can purchase, ready to go today and doesn't use ROGOs. This will pay itself off with a goal of housing 25% low income /25% median/ 50% moderate. Will drop many rents substantially and still service debt. City's liability is only for the property. Number of military is about 20%. No vacancy now with rents at \$2400.
- Some will have to move because salaries outside range of affordable.
- On Peary Court our hands are tied for 2 reasons: secrets and vote ballot - \$20 million profit is capitalism.

The facilitator noted that this was the beginning not the end of the conversation and the effort to begin developing together some recommendations. The Committee is aware of the challenging nature of this issue and will need further consideration of a combination of strategies to address the funding of the needed workforce housing.

V. PUBLIC COMMENT

An opportunity for public comment was offered at the conclusion of the Committee's discussion of each task. The public was also encouraged to consider providing written comments using a comment form. There were no public comments offered following the discussion of workforce housing funding options

VI. NEXT STEPS AND ASSIGNMENTS

The facilitator reviewed the potential topics for the January 2016 AHAC agenda including Tasks 10 dealing with inclusionary housing, reviewing affordable housing costs and reviewing the plans for a roundtable with municipalities in February 2016 consistent with the BOCC resolution directed the Committee to invite representatives from the municipalities in Monroe County to an AHAC meeting to review tasks and hear of ways to coordinate and cooperate on the issue of workforce housing in the Keys.

Staff would review whether it might be possible to invite Manny Castillo and Commissioner Weekley at a future Committee meeting to get a briefing on Peary Court.

The Committee completed a meeting evaluation form (*See Appendix # 3 for an evaluation summary*) and adjourned at 1:00 p.m.

Appendix #1 Agenda

MONROE COUNTY AFFORDABLE HOUSING ADVISORY COMMITTEE
MEETING V—FRIDAY, DECEMBER 18, 2015—9:00 A.M.-1:00 P.M.
MARATHON GOVERNMENT CENTER

COMMITTEE MEETING OBJECTIVES

- ✓ To review and Approve Regular Procedural Topics (Agenda, AHAC November 2015 Summary/Minutes)
- ✓ To review the Committee’s Draft Work Plan
- ✓ To receive presentations on local funding sources for workforce housing and discuss initial options in response to Task #8 and #9.
- ✓ To Identify Next Steps, Assignments, and Agenda Items for the January AHAC Meeting
- ✓ To Hear and Consider Public Comment

MEETING AGENDA—FRIDAY, DECEMBER 18, 2015

All Agenda Times—including Public Comment & Adjournment—are Approximate and Subject to Change

9:00 AM	Welcome, Roll Call, Introductions, Review and Approval of Agenda
9:10	Review and Approval of AHAC November 20, 2015 Draft Summary/Minutes
9:15	Review of the AHAC Charge and Committee Work Plan
9:20	Update on Actions, Activities since the November 20 AHAC Meeting
9:30	<p>Workforce Housing Funding Sources Strategies- Task 8 & 9 Overview <i>Task #8 - Explore and propose expanding local funding sources (local government, private/public partnerships, community and charitable organizations) to help expand workforce housing in Monroe County.</i> Task #9 - Review and consider recommendations to the BOCC for amendments to statutes to address:</p> <ul style="list-style-type: none"> a) <i>Sadowski Trust Fund donor inequity,</i> b) <i>Allow Land Authority funds to be used for extending deed restrictions or buying back expired deed restrictions to preserve affordable housing,</i> c) <i>Amend Low Income Housing Tax Credit (LIHTC) program to require on-site management longer than 15 years,</i> d) <i>Amend or increase 1-cent Tourist Impact Tax to provide dedicated funding for the provision of workforce housing specifically for the hospitality industry.</i>
9:40	<p>Funding Strategies for Affordable Housing Presentation by Mark Moss, Executive Director, Habitat for Humanity of Key West & the Lower Florida Keys & Christine Todd Young, Executive Director, Habitat for Humanity of the Middle Keys, on affordable housing projects in Monroe County and the funding strategies utilized (both the successes and limitations with existing funding sources) to develop affordable housing.</p>
10:10	AHAC Q&A
10:30	<i>Break</i>
10:45	<i>Public Comment</i>
11:05	AHAC Q&A
11:10	<p>Funding Strategies for Affordable Housing Dianna Sutton, Community Foundation of Florida Keys</p>
11:25	AHAC Q&A
11:30	<p>Funding Strategies for Affordable Housing Presentation by Jessica Bennett, Director of Market Research, Tourist Development Council on the history and implementation of the 1-Cent Tourist Impact Tax.</p>
12:00 p.m.	AHAC Q&A and Discussion of Options to Address Tasks 8 & 9
12:30	<i>Public Comment</i>
12:40	<p>Review of the AHAC Workplan in 2016, Next Steps, Assignments and Agenda Items for January 22, 2016 AHAC Meeting</p> <ul style="list-style-type: none"> • Review the January 2016 agenda items and 2016 Workplan • Invite Municipalities, School Board, Mosquito Control, Law Enforcement to discuss their workforce housing activities and needs at the February 2016 AHAC meeting. • Other business
1:00 PM	ADJOURN

Appendix #2- AHAC Committee and Staff

AFFORDABLE HOUSING ADVISORY COMMITTEE MEMBERSHIP	
MEMBER, ORGANIZATION	REPRESENTATION –Based on Statutory/Regulation Categories & Districts
Jim Cameron	Advocate for low income affordable housing, Dist. 2
Capt. Ed Davidson, Monroe County School Board	Citizen recommended by the Monroe County School Board
Hana Eskra, Florida Market President, Gorman & Co. Inc.	Real estate professional in connection with affordable housing, Dist. 4
Bill Hunter	Citizen with no financial interest in the development of affordable
Warren Leamard. Owner, Chef, Destination Catering & Events	Not for profit provider of affordable housing, Dist. 3
Ken Naylor, Atlantic Pacific Communities	For profit provider of affordable housing, Dist. 3
Tim Root, Mingo Co Construction	Residential affordable housing building industry, Dist. 1
Jim Saunders, Bayview Land Development & Permitting	Citizen, representing employers in Monroe County, Dist. 5
Stephanie Scuderi, Senior VP, Centennial Bank.	Citizen, representing essential services personnel related to AH, Dist. 5
Ed Swift III, President, Historic Tours of America	Citizen, residing in Monroe County, Dist. 4
Randy Wall, Blue Fin Inc.	Labor, home building related to affordable housing, District 2
Jodi Weinhofer, President, Lodging Association of the Florida Keys	Citizen recommended by the Monroe County lodging industry
William Wiatt, Sunset Villas	Member, Local Planning agency, Dist. 4
BOCC LIAISON- EX OFFICIO MEMBERS	
Heather Carruthers	Mayor Pro Tem, Monroe County BOCC
Sylvia Murphy	Commissioner, Monroe County BOCC
MONROE COUNTY STAFF	
Peter Morris / Steve Williams	County Attorney's Office
Mayte Santamaria	Senior Director of Planning and Environmental Resources, Santamaria-Mayte@MonroeCounty-FL.Gov (305) 289-2500
Emily Schemper	Comprehensive Plan Manager (305)289-2500 Schemper-Emily@MonroeCounty-FL.Gov
Tiffany Stankiewicz	Development Administrator
Carol Schreck	Committee Administrator Schreck-Carol@MonroeCounty-FL.Gov
AHAC FACILITATOR	
Bob Jones	FCRC Consensus Center, FSU, rmjones@fsu.edu

Appendix #3- Meeting Evaluation Summary

MONROE COUNTY AFFORDABLE HOUSING ADVISORY COMMITTEE

MEETING EVALUATION SUMMARY

MEETING V—FRIDAY, DECEMBER 18, 2015—9:00 A.M.-1:00 P.M.

MARATHON GOVERNMENT CENTER

Please provide a rating for each statement using a 0 to 10 scale, where 0 means totally disagree and 10 means totally agree. A summary of the results will be included in the Meeting Summary/Minutes.

1. Please assess the overall meeting.

9.3 The agenda packet was very useful.

8.6 The objectives for the meeting were stated at the outset.

8.7 Overall, the objectives of the meeting were fully achieved.

2. Do you agree that each of the following session objectives was achieved?

9.7 To review and Approve Regular Procedural Topics (Agenda, AHAC November 2015 Summary Minutes)

8.9 To review the Committee's Draft Work Plan

9.1 To receive presentations on local funding sources for workforce housing and discuss initial options in response to Task #8 and #9.

8.6 To Identify Next Steps, Assignments, and Agenda Items for the January AHAC Meeting

9.7 To Hear and Consider Public Comment

3. Please tell us how well the facilitator helped members engage in the meeting.

9.4 The facilitator made sure the concerns of members were heard.

9.1 The facilitator helped to arrange our time well.

4. Please indicate your level of satisfaction with the meeting?

8.7 Overall, I am very satisfied with the meeting.

9.0 I am satisfied with the outcomes of the meeting.

9.4 I know what the next steps following this meeting will be.

5. What did you like best about the meeting?

- Clarified how we can distribute information consistent with Sunshine Law
- Speakers
- Great info from the presenters
- Ended on time.
- The facilitator is terrific.
- Great discussion

6. How could the meeting have been improved?

- We got off track far too much.
- Way too cold. Bring the temp up to 74 degrees.
- We didn't get to testing the suggested statements.

7. Do you have any other comments that you would like to add?

- Quite an educational meeting!!

Appendix #4 – AHAC Charge

THE AFFORDABLE HOUSING ADVISORY COMMITTEE CHARGE

AHAC Tasks Assigned by the Monroe County Board of County Commissioners (BOCC)

The Monroe County Affordable Housing Committee (Committee) will seek consensus on guidance and recommendations to the Monroe County Board of County Commissioners (BOCC) addressing the issues set forth in the Committee’s charge.

By October 2015:

- 1 Propose a definition for “Workforce” and the need within and where (geographically in unincorporated Monroe County) for providing housing for various income levels (very low, low, median and moderate).
- 2 Evaluate and define the workforce housing need in unincorporated Monroe County.
- 3 Evaluate and propose additional mechanism to qualify and monitor the occupants of deed restricted affordable housing to ensure the units are preserved and maintained as affordable.

Within 1 year from the effective date of this resolution:

4. Develop solutions for rental housing.
5. Develop incentives for development of workforce housing on Tier III properties.
6. Develop strategies for increasing density to encourage workforce housing development, such as micro housing and dormitories.
7. Develop strategies to increase the Monroe County Housing Authority’s role in workforce housing, specifically as a management entity for rental workforce housing;
8. Explore and propose expanding local funding sources (local government, private/public partnerships, community/charitable organizations) to help expand workforce housing in Monroe County.
9. Review and consider recommendations to the BOCC for amendments to statutes to address:
 - a Sadowski Trust Fund donor inequity,
 - b Allow Land Authority funds to be used for extending deed restrictions or buying back expired deed restrictions to preserve affordable housing,
 - c Amend Low Income Housing Tax Credit (LIHTC) program to require on-site management longer than 15 years,
 - d Amend or increase 1 cent Tourist Impact Tax to provide dedicated funding for the provision of workforce housing specifically for the hospitality industry; and
10. Develop strategies to assist in developing inclusionary housing requirements for hospitality and commercial sector to build workforce housing.

Appendix #5: AHAC Workplan

COMMITTEE DRAFT WORK PLAN/MEETING SCHEDULE			
2015			
#	DATE	TIME	LOCATION
Initial Review and Development of AHAC Recommendations for Tasks #1-3			
I.	Friday, August 21, 2015	9am-12 pm	Marathon Govt. Ctr.
Organizational Meeting #1: Review Charge, Procedures, Success, Work plan and BOCC Charge tasks due in October 2015: workforce definition, workforce housing need and deed restricted affordable housing			
II.	Friday, September 18, 2015	9am-1pm	Marathon Govt. Ctr.
2 nd Meeting: Refine and Adopt Work Plan, Presentation and discussion on qualifying and monitoring employee housing and potential role of the Monroe County Housing Authority (Task #3); review 2 nd draft statement on “workforce” definition (#1); receive information from staff on workforce housing need and review draft statements (#2).			
III.	Friday, October 16, 2015	9am-3pm	Marathon Govt. Ctr.
3 rd Meeting: Refine and Update Work Plan, review, refine and adopt draft consensus recommendations on workforce definition (#1), workforce housing need (#2) and deed restricted affordable housing (#3). Review & discussion of Local Housing Assistance Plan, Sec. 2-701. - Duties of the affordable housing advisory committee.			
Initial Review of AHAC Ideas and Options on Tasks # 4-10, November 2015 –March 2016			
IV.	Friday, November 20, 2015	9am-1 pm	Marathon Govt. Ctr.
4 th Meeting: Review Work plan; Discuss, review, discuss and adopt the Report to the BOCC on the Local Housing Assistance Plan and surplus land inventory; Presentation and information on AHAC Tasks #5 Incentive for development of Tier III workforce housing properties and discussion and identification of initial options.			
V.	Friday, December 18, 2015	9am-1 pm	Marathon Govt. Ctr.
5 th Meeting: Refine and update Work Plan, Presentations, briefings and information on AHAC Tasks: Possible topics: Local funding sources (#8), state and local funding (#9a, b, c, d) discussion of initial options for recommendations.			
2016			
VI.	Friday, January 22, 2016	9am-2 pm	Marathon Govt. Ctr.
6 th Meeting: Refine and update Work Plan, Presentations, briefings and information on AHAC Tasks: Possible topics: Task #10 Inclusionary Housing, Tasks #4 Rental Solutions & 7 Management of rental Workforce Housing.			
VII.	Friday, February 19, 2016	9am-1 pm	Marathon Govt. Ctr.
7 th Meeting: Refine and update Work Plan, Presentations, briefings and information on AHAC Tasks: Task #6 Increase Density (micro housing, dormitories, etc.) to encourage workforce housing development; Review of AHAC draft workforce housing report outline			
Consensus Building on AHAC Recommendations for Tasks 4-10, April 2016- July 2016			
VIII.	Friday, March 18, 2016	9am-1 pm	Marathon Govt. Ctr.
8 th Meeting: Refine and update Work Plan, Additional presentations, briefings and information on AHAC Tasks; Overview of initial draft of AHAC draft workforce housing report; Rating, refining and building consensus on background and recommendations.			
IX.	Friday, April 22, 2016	9am-1 pm	Marathon Govt. Ctr.
9 th Meeting: Rating, refining and building consensus on draft background and recommendations.			
X.	Friday, May 20, 2016	9am-3pm	Marathon Govt. Ctr.
10 th Meeting: Review of 2 nd draft of AHAC draft workforce housing report and rating, refining and building consensus on background and recommendations.			
XI.	Friday, June 17, 2016	9am-1 pm	Marathon Govt. Ctr.
11 th Meeting: Review and adopt final draft of AHAC draft workforce housing report			
XII.	Friday, July 15 2016 (if needed)	9am-1 pm	Marathon Govt. Ctr.
12 th Meeting: If needed to finalize and adopt AHAC report to the BOCC			

Appendix #6 Ed Swift Correction on Key West Density Numbers

From: Hope Casas [<mailto:hcasas@historictours.com>]
Sent: Tuesday, December 08, 2015 2:40 PM
To: Schreck-Carol **Subject:** RE: AHAC: construction numbers

Dear Board Members and County Staff, Commissioner's Sylvia Murphy and Heather Carruthers:

At the end of the last board meeting I spoke to the subject of density. (Among other things.) During that speech I said, "The density on some of the most expensive housing in the Florida Keys is located in Key West's Old Town Historic District at 25 to 35 units an acre." This statement was not correct.

I followed up, to confirm my pronouncement, because something was no sitting right with me on the "25 to 35 units per acre" in Old Town. I called the former City of Key West (and formerly Monroe County) lead planner Don Craig. I asked Don if it I was correct and he informed me that the density in Old Town zoning districts HTCC 1,2 and 3 is actually 22 units per acre.

While I believe that "22 units per acre" is certainly sufficient to have made my point I did not want to have provided the board and county officials present with incorrect information that they may repeat as accurate.

I apologize. Merry Christmas and Happy Holidays!

Sincerely,

Edwin O. Swift, III

P.S. I'm also e-mailing to Carol for her to distribute Don Craig's analysis on two city sites, Poinciana and the Old Truman Waterfront for affordable housing. This information was provided to the city Commission prior to his leaving the City. I believe his analysis is right on point and I wanted you to have this for reading over the holidays.

Don Craig, Consulting Planner, April 2015 memos to the Key West City Manager

1. "Affordable Housing Unit on 6.6 acres on Truman Waterfront"
2. "Affordable Housing Initiative at Poinciana" Housing Complex

The memos can be found at: <http://www.monroecounty-fl.gov/index.aspx?NID=303>

Appendix #7: Tourist Impact Tax Information

Tourist Impact Tax (Section 125.0108, Florida Statutes)

Any county creating a land authority under s. 380.0663(1), F.S., is authorized to levy a 1 percent tax on transient rental facilities within the county area that is designated as an area of critical state concern under Chapter 380, F.S. If the area(s) of critical state concern are greater than 50 percent of the county's total land area, the tax may be levied countywide.

The funds are used to buy property in the area of critical state concern and to offset the loss of ad valorem (property) taxes due to those land acquisitions.

Designated areas of critical state concern include the Big Cypress Area (mainly in Collier County), the Green Swamp Area (in central Florida), the Florida Keys Area (in south Florida), and the Apalachicola Bay Area (in Franklin County).

Excerpt of County Land Acquisition White Paper:

Increasing Tourist Impact Tax – (Strategy #11)

Currently, the 1 cent Tourist Impact Tax yields approximately \$5.6 million annually. This amount is split between the general fund (\$2.8M) and the County Land Authority (\$2.8M). Of the \$2.8M that goes to the Land Authority, \$1.2M is for MC outside Key West (along with \$400,000 from state park surcharges) equaling \$1.6M for MC, excluding Key West, and \$1.6M goes to Key West.

Of the approximate total revenue (\$1.6M) in the Florida Keys ACSC:

- MC Land Authority has historically allocated 60% (approximately \$900,000) to the acquisition of conservation land, with the remainder going towards purchase of parcels for affordable housing, or occasionally for active recreation areas in areas outside Key West.

Of the approximate total revenue (\$1.6M) in Key West ACSC:

- MC Land Authority has historically allocated 17% (approximately \$270,000) to the acquisition of conservation land, with the remainder going toward affordable housing.

If the County passed by referendum, after amending State legislation, an additional 0.5% to the Tourist Impact Tax and dedicated the full amount to land acquisition, this would yield an additional \$2.8 million which could be split as follows:

- The Florida Keys ACSC (\$602,000 [43%] additional); and
- Key West ACSC (\$798,000 [57%] additional)

[NOTE: An additional amendment to the state legislation would be needed in order to allow the additional 0.5% to be spent within the entire County, rather than the area from which the tax is derived.]

TOTAL additional funds available of \$2.8M, in addition to the \$1.17M (900,000+270,000 historically allocated for the acquisition of conservation lands), equals \$3.9M. If this was accomplished, the Land Authority would be able to generate the funds equal to the tax assessed value for the remaining 7,814 parcels within 80 years (see Table 3).

Note: The overall tourist tax revenues collected on a tourist unit currently consist of a total tax of 12.5% (7.5% sales tax and 5% tourist impact tax) and if this strategy is implemented with an increase of 0.5% to the tourist impact tax, the total tax would be 13% (7.5% sales tax and 5.5% tourist impact tax).

Appendix #8: AHAC Perspectives on Funding Sources

AUGUST 2015 AHAC MEMBER PRE-MEETING SURVEY

B. “Explore and propose expanding local funding sources (local government, public/private partnerships, community/charitable organizations) to expand workforce housing in Monroe County.”

<i>Very Critical</i>		<i>Less Critical</i>			<i>Don't Know</i>	
5	4	3	2	1	0	Avg.
7	1	1	0	0	0	4.7

Define the related issue(s) as you see them in the form of key questions the Committee should explore:

- But do not make overly generous concessions -- simply pay the necessary costs, as enticing developers to donate usually comes at a profit margin and markup
- What portion/amount of the money funded by the bed tax is currently used for affordable housing and what amount is being used for environmentally sensitive land?
- I know less about potential funding. I've heard the state is not distributing the amount collected and /or Monroe County does not get 'it's fair share' of the taxes collected in the county.
- The cost of land is the deciding factor in all building in this County and AH is no exception. The County must supply some of the land for this endeavor and then sell the idea to other users of the housing, i.e.: school board, FKAA, Lodging Assn.
- How does Monroe County increase the funding available to subsidize workforce housing?
- Ad-valorem tax revenue in small but significant part should be expended on land acquisition.
- Public private partnerships should be expanded.
- Government agencies and funding for housing needs to return to pre-recession levels.
- Tourist tax dollars need to be, in part, invested in workforce housing.
- This will be the only viable way to justify building low income rental housing other than limited tax credit deals

Identify any potential strategies to consider:

- Land banking properties
- General revenue Foundations
- Review sources and amounts of revenues from all county collected sources not specifically allocated to other expenditures.
- This is not my area of expertise.

What key information do you think the Committee needs to make educated recommendations to address issue(s)?

- What is the current funding available in the County
- Sources and amounts of revenues from all county collected sources not specifically allocated to other expenditures.
- Very little. We should be prepared to move now.

WORK FORCE HOUSING ASSESSMENT SPRING 2015- COMMON ISSUES RELATED TO FUNDING

Workforce Housing Funding Issues
1. Workforce housing site identification and audit
2. Remedy Sadowski Trust Fund donor inequity
3. Land Authority funds for workforce housing construction
4. Dedicated local funding for workforce housing
5. Consider inclusionary WH fee
6. Address online marketplace for vacation rentals that connects users with property to rent with users looking to rent the space(e.g. AirBnB) and its impact on bed tax revenue
7. Provide assistance to workforce renters (down payment/deposit)

County Perspectives- Issues

Consider allowing Land Authority bed tax funds for construction.

- Currently they can only use the funding for land acquisition.
- Consider changing the Tourist Development Council (TDC) law to allow those dollars to be used for affordable housing development.

Local Dedicated Funding Source.

- We need a local dedicated funding source (sales tax, “sin” tax, etc.) that can support the construction of workforce housing not just land acquisition.

City Perspectives- Issues

Consider additional funding sources

- A tax on every alcoholic beverage sold or a 1% real estate transfer tax could generate funding for workforce housing. Relying upon the Land Authority funds won't be enough.

Development Plan and Funding for Workforce Housing

- We need to figure out how to put the land authority/Housing Authority and bed tax money together and form development plan for affordable housing.

State Perspectives- Issues

Tourist Development Tax and Workforce Housing

- Tourist Development Tax should support the building of workforce housing. Funds go to the Monroe County Land Authority (\$4 million) and Key West (\$8 million).
- Consider changing the tourism bed tax statute to allow for supporting the construction of workforce housing.

Development Perspectives- Issues

Authorize Land Authority to Build Workforce Housing

- Fund the Monroe County Housing Authority or other similar successful organizations to build workforce housing.

Convert public land for workforce housing

- The school board and the city may have large tracts that can be converted for workforce housing.
- Need to use infrastructure \$\$ making land improvements for property we should own- RFPs for developers.

Consider greater use of an inclusionary affordable housing fee

- The County should set a fee for inclusionary housing such as the \$40,000 per inclusionary housing credit that Marathon is proposing. This fee would be paid to the Monroe County Housing Authority in an affordable housing trust fund to be distributed to those who actually build affordable housing. This would create a subsidy paid from new market rate or transient (hotel) projects to be distributed to those who actually build the affordable housing.
- To assure the housing is built and completed, the subsidy would not be funded until the certificates of occupancy for the affordable housing are issued.
- This type of commitment would incentivize those who are willing to build affordable housing, and the funds would come from those building the projects that require inclusionary housing without the market rate developer from having to use some of his/her market rate allocations on affordable housing.
- All transient unit development and re-development should require inclusionary affordable housing ordinance, or impact fee assessment.

Add commercial development and redevelopment

- Based on employees and square feet (use industry standards and sales tax codes) for an impact fee assessment.

Business Sector including Real Estate

Permit Bed Tax to support purchase/building of workforce housing

- Change the law to allow purchase and building of workforce housing. Put it where people can get to work.

Appendix #9 – Handout Materials- December 18 2015 AHAC Meeting

The handout materials at the December 18, 2015 AHAC meeting can be viewed and downloaded at:
<http://www.monroecounty-fl.gov/Archive.aspx?AMID=48>