Palm Beach County
Workforce Housing Program

National Association of Counties
Workforce Housing Webinar
June 23, 2022
Why is it needed?

May 2022 Median Sales Prices:
- Single Family: $615,000
- Multi-Family/Townhouse: $307,500

- 57% of PBC workers are in service sector jobs earning 40-60% of the County’s median household income;
- The median sales price for a single-family home in Palm Beach County is unaffordable to 80% of County households;
- Nearly 30% percent of PBC renters are “severely” cost-burdened, spending > 50% of income on housing costs.

Source: Affordable Housing Needs Assessment, conducted for the Housing Leadership Council, February 2021
What is Workforce Housing?

For renters at 60-140%, and buyers at 60-120% of AMI

- 2022 AMI = $90,300
- 2022 Income Range: $54,180 - $126,420 in 4 categories
- Workforce Housing ≠ Affordable Housing

<table>
<thead>
<tr>
<th>Home Buyer Professions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant School Principal</td>
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<tr>
<td>ATT Technician</td>
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<tr>
<td>Attorney</td>
</tr>
<tr>
<td>Cable Installer</td>
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<tr>
<td>City of WPB Warehouse Supervisor</td>
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<tr>
<td>Engineer</td>
</tr>
<tr>
<td>Grocery Store Manager (Publix)</td>
</tr>
<tr>
<td>Project Manager</td>
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<tr>
<td>Regional Property Manager</td>
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<tr>
<td>Registered Nurse</td>
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</table>
Workforce Housing History

• August 2006 - County adopted a mandatory WHP

• January 2010 - revised due to economic conditions
  o Reduced required percentages, affordability periods

• August 2019 - WHP revised to:
  o Incentivize single-family, for-sale, on site WHP
  o Streamline density bonus up to 50%; enhance review for >50%
  o Increase in-lieu fees; add new exchange builder option

• Throughout: Ensure return rates of 10% for-sale, 5.5% rentals
# Impact Analysis: Project Feasibility

## Table 1: Projected Returns by Future Land Use and Compliance Scenario

<table>
<thead>
<tr>
<th>Exhibit</th>
<th>Profit Metric: Land Use</th>
<th>Return on Cost %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Incentive: None</td>
<td>LR-2</td>
</tr>
<tr>
<td>1</td>
<td>No WFP (a)</td>
<td>8.6%</td>
</tr>
<tr>
<td>2</td>
<td>Buyout (In-Lieu Fee) (b)</td>
<td>n.a.</td>
</tr>
<tr>
<td>3</td>
<td>On-site (c) No Middle Income 1</td>
<td>n.a.</td>
</tr>
<tr>
<td>4</td>
<td>Offsite (d) No Middle Income 2</td>
<td>n.a.</td>
</tr>
<tr>
<td>5</td>
<td>No Middle Income 3</td>
<td>n.a.</td>
</tr>
<tr>
<td>6</td>
<td>Exchange (e) 80% of In-Lieu, With Bond</td>
<td>n.a.</td>
</tr>
</tbody>
</table>
WHP Program Today

Inclusionary:  Mandatory obligation for 10+ units in U/S Tier
Voluntary density bonus in exchange for additional WH

Options:  Limited or Full Incentive

Required %:  2.5 to 20% or more; 1.5x multiplier if for-sale projects
providing WH as off-site rentals

Disposition:  On-site or off-site, exchange program, in lieu fee,
purchase market rate unit, or donate land

Restriction:  For-sale units 15 yrs, recurring;
Rentals 30 yrs
Workforce Housing 2022 Pricing

- For Sale Prices: $189,630 to $352,170
- Monthly Rents: $966 (studio) to $3738 (4 bedroom)
<table>
<thead>
<tr>
<th>Option:</th>
<th>Limited (minimize obligation)</th>
<th>Full (maximize density)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required %</td>
<td>2.5 - 8%</td>
<td>5 – 20+%</td>
</tr>
<tr>
<td>Max Density Bonus</td>
<td>50%</td>
<td>100%</td>
</tr>
<tr>
<td>Unit Pricing</td>
<td>Lowest 2 categories</td>
<td>All categories</td>
</tr>
<tr>
<td>Additional Incentives</td>
<td>none</td>
<td>Expedited Review Flexible Property and Traffic Regulations</td>
</tr>
</tbody>
</table>
Density Bonus Determination

Up to 50%: streamlined process

Above 50%: enhanced review
  • Point system to assess WHP approach
  • Compatibility review to assess site
  • County Commission approval
Disposition Options

- Build On-site
- Build Off-site: Same Builder or Exchange Program
- Purchase Market Rate Unit
- Donate Land
- Pay In-lieu Fee
  - $126,360 Single Family
  - $105,300 Townhome
  - $78,975 Multi-family
WHP Exchange Program

- Proposed by Industry
- Developer pays Exchange Builder to deliver WHP units off-site
- Exchange Fee = 80% of In-lieu Fee; Surety Required
- 1.5x multiplier
- MR Developer is “decoupled” from Exchange Project
- WH units delivered in 36 Months or surety collected
WHP Units to Date

- More than 2,700 WHP units have been required through the program.
  - 55% are built or currently under development
  - 45% are from approved projects not yet constructed

- Of the 2,700+ units:
  - About 63% are/will be rentals
  - 11% for-sale units (TH & SF detached)
  - 11% In Lieu Fee: $26M for 307 units in 34 developments
  - 16% not yet determined
Palm Beach County

Rental Units
Palm Beach County

For-sale Units
Questions?
Buncombe County, NC

ARPA Investments in Housing

Nathan Pennington, Director of Planning
Rachael Nygaard, Director of Strategic Partnerships

June 23, 2022
Buncombe County Housing Investments

• About Buncombe County, NC
• Our strategic commitment, affordable housing goals & objectives
• Buncombe’s ARPA COVID Recovery Funding process
• ARPA investments in housing & homelessness
• ARPA investments: 5 project highlights
• Other affordable housing investments: bond initiative & leveraging county-owned properties for potential affordable housing development
Buncombe County, NC

Population: 271,534
7th most populous county in NC
Area: 656 square miles
County Seat: Asheville, NC
Established: 1792
Employees: 1,500+
Departments: 28
Budget: $398 M annual general fund
Operating Structure: Council-Manager
Local Authority: Dillon’s Rule
Strategic Commitment

• Affordable Housing is part of Buncombe County’s commitment to a healthy, safe, well-educated and thriving community with a sustainable quality of life.

• Supported at the programmatic level by the Affordable Housing Services Program – annual investments managed by the County Planning Department, Community Development Division.

• Supported at the governance level by a Commissioner sub-committee focused on affordable housing goals and the funding and policies needed to accomplish those goals.
Affordable Housing Goals

• Increase the supply of Affordable Housing for rent
• Increase the supply of Affordable Housing for homeownership, especially for BIPOC households
• Preserve the supply of Naturally Occurring Affordable Housing (NOAH)
• Support activities that achieve functional zero Homelessness
• Support activities that encourage the use of all vouchers
Affordable Housing Objectives

Buncombe County will impact 2,800-3,150 affordable housing units by 2030

• 1,500-1,850 rental units for households at < 80% AMI
• average at < 60% AMI across all households
• 1200-1480 units should leverage the LIHTC program (will leverage an estimated $100 - $120 million in tax credit equity to Buncombe Co.)
• 200 units for <30% AMI
• 400 ownership units for households at < 80% AMI
• 500 repair units for households at < 80% AMI
• 400 ownership or rental units for households at > 80% to < 120% AMI
ARPA Community Input:
Affordable Housing Highest Ranked Priority
ARPA “COVID Recovery Funding”

• $50.7 M allocation to Buncombe County

• Request for Proposals (RFP) seeking projects aligned to county & community priorities to build a strong, equitable recovery from COVID-19 & its negative economic impacts

• Visit [www.BuncombeCounty.org/RecoveryFunding](http://www.BuncombeCounty.org/RecoveryFunding) to view:
  • Community survey results
  • RFP documents
  • Submitted proposals
  • Rolling awards
  • Project reporting
ARPA Investments in Housing & Homelessness

- $9.5 M out of $27.9 awarded so far: 34% of total ARPA funds
- Structured as pass-through grant awards to federal subrecipients
- Part of a holistic portfolio of other investments including: home repairs; household assistance; small business support; child care; mental health; community violence intervention & broadband infrastructure

<table>
<thead>
<tr>
<th>Total Funds</th>
<th># of Projects</th>
<th>Total Awarded</th>
<th>% Awarded</th>
<th>Total Spent</th>
<th>% Awards Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50.7M</td>
<td>32</td>
<td>$28.5M</td>
<td>56.3%</td>
<td>$10.0M</td>
<td>40.1%</td>
</tr>
</tbody>
</table>

Total Funds Awarded by Category:
- Affordable Housing: $4.00M
- Broadband: $3.00M
- Child Care/Early Learning: $2.37M
- Homelessness Services: $2.33M
- Mental Health/Substance Use Services: $1.54M
- Small Business Economic Assistance: $1.26M
- COVID-19 Mitigation & Prevention: $1.21M
- Community Violence Interventions: $1.02M
- Administrative Expenses: $0.75M
- Premium Pay for Public Sector Employees: $0.40M
- Housing Assistance: $0.15M
- Food Programs: $0.10M
- Other Economic Support: $0.10M
- Nonprofit Economic Assistance: $0.05M

COVID RECOVERY FUNDING

BUNCOMBE COUNTY
Project Highlight 1: Permanent Supportive Housing

• Motel conversion project to serve the most vulnerable individuals and families experiencing chronic, long-term homelessness: 85 affordable efficiency units with onsite case management, security & individualized, supportive services focused on housing stabilization, independence, and improving quality of life

• $3,000,000 award is supporting property acquisition & renovation

• Renovation completion expected by December 2023

• Subrecipient: Homeward Bound
Project Highlight 2: Deeply, Permanently Affordable Housing

- Development of 45 apartments which will be affordable in perpetuity, serving formerly homeless individuals and families.
- $749,000 award is supporting construction costs for West Haywood Street Apartments.
- Construction completion expected by August 2023.
- Subrecipient: Haywood Street Community Development.
Project Highlight 3: Infrastructure to Support Homeownership

- Creation of 43 construction-ready home sites in the Glenn Bridge and New Heights developments
- $1,600,000 award is supporting site development including sewer/water/stormwater installation as well as roads & sidewalks
- Infrastructure closeout expected by September 2025
- Subrecipient: Asheville Area Habitat for Humanity
Project Highlight 4: Rental Assistance Demonstration

- Rental Assistance Demonstration (RAD) redevelopment initiative of Deaverview Apartments, Will result in 3 new buildings including 80 apartments for families with income at or below 60% AMI
- $935,286 award is supporting construction costs
- Construction completion estimated by August 2024
- Subrecipient: Asheville Housing Authority of the City of Asheville
Project Highlight 5: Recovery Starts at Home

• Development of 120 units of new affordable rental housing at Lakeshore Villas for individuals and families from below 30% AMI to a maximum of 80% AMI
• $3,263,847 award is supporting construction costs
• Construction completion expected by fall 2024
• Subrecipient: Mountain Housing Opportunities
Bond Initiative

• Housing bond - $40M - “...benefit of persons of low or moderate income, including construction of related infrastructure improvements and the acquisition of related land and rights-of way...”

• “Buncombe County will impact 2,800-3,150 affordable housing units by 2030.”
Leveraging County-owned Properties for Potential Affordable Housing Development

COXE AVE
- Tax (94 Coxe Ave)
- ID Bureau/Elections Storage (50/52 Coxe Ave)

VALLEY ST
- Permitting/Planning/Recreation/Sheriff Annex (36 Valley St)

WOODFIN ST
- Parking Lot (35 Woodfin St)

Note: This information is for planning and analysis purposes only. These locations are currently in use for other County-related public purposes.
Development Finance Initiative (DFI) Phased Approach

**Phase 1: Pre-Development and Opportunity Site Identification**
- Analyze parcels, sites, financial feasibility, market needs & public interest
- Identify parcels suitable for LIHTC development
- Conduct current housing needs assessment for the County
- Consider how County offices may be incorporated into owned sites
- Prioritize sites for affordable housing; make site related recommendations

**Phase 2: Site Specific Pre-Development and Solicitation of Development Partners**
- Assist in soliciting public input for selected site or sites
- Conduct site constraints analysis
- Prepare financial models
- Determine feasibility for private partners and scale of public investment
- Evaluate options for financing/structuring deals
- Solicit development capable partners
- Negotiate deal points
- Arrive at development agreement(s)
- Support County until development partner closes on financing
Thank you

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