



## Housing Proposal

### Our Growing Concern:

The St. Petersburg Area Chamber of Commerce stands with Mayor Kriseman and City Council, the Grow Smarter Steering Committee and many others, in recognizing there is an insufficient supply of housing options that are affordable for all income levels in the city. This concern is not unique to St. Petersburg. There is a national conversation about how to provide housing for all income levels, especially in communities that continue to experience substantial job and population growth. The population growth (Exhibit A) St. Pete has experienced in the last several years has affected the supply of available units, spurred expensive new construction, and driven up the costs for all housing options.

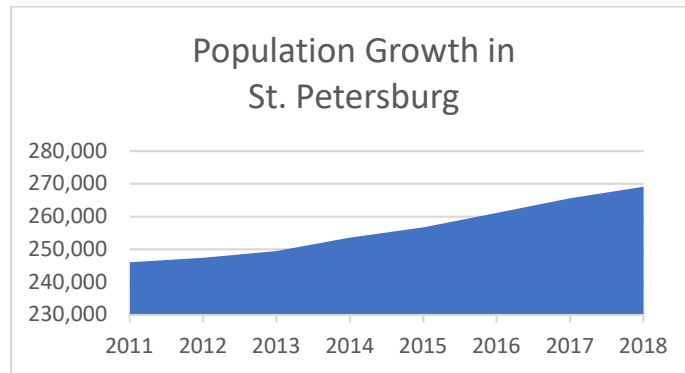


Exhibit A

This increase in housing costs has not been met with an equal rise in median incomes. The Federal Department of Housing and Urban Development (HUD) uses Area Median Income (AMI) percentages as a basis for their housing programs. According to City Staff, the AMI for St. Petersburg is \$59,813 for a household of 4 and \$36,093 for a single person. (Exhibit B)

Area Median Income Levels for St. Petersburg

Household Size	Very Low Income 50% AMI	Low Income 80% AMI	Median Income 100% AMI	Moderate Income 120% AMI
Single	\$18,047	\$28,874	\$36,093	\$43,312
4 Persons	\$29,907	\$47,850	\$59,813	\$71,776

Exhibit B

At very low-, low-, and moderate-income levels, the average apartment in St. Petersburg is not affordable given that households are considered “housing burdened” if their housing costs exceed 30% of income. (Exhibits C & D)

Household Size	Median (100% AMI)	Very Low (50% AMI)	Low (80% AMI)	Moderate (120% AMI)
Single	\$902	\$451	\$722	\$1,082
4 Persons	\$1,495	\$748	\$1,196	\$1,794

Exhibit C

1 Bed/1 Bath	\$1,100
2 Bed/ 2 Bath	\$1,400
3 bed/ 2 Bath	\$1,800

Exhibit D

Even our most critical professionals, (nurses, first responders, and teachers) have incomes hovering around or below the housing burdened threshold. (Exhibit E)

Profession	Average Income	Monthly Income	Housing Burden Threshold
Nurse	\$44,000	\$3,667	\$1,100.0
Teacher	\$43,809	\$3,651	\$1,095.2
Fire Fighter	\$43,880	\$3,657	\$1,097.0
Police Officer	\$52,573	\$4,381	\$1,314.3
EMT	\$33,000	\$2,750	\$825.0

Exhibit E

## Proposed Solution:

The City of St. Petersburg can inspire and stimulate the development of housing for all income levels through programs that lower costs for developers, disposing of city owned land more readily, and making it easier for developers to build more efficiently.

The St. Petersburg Area Chamber of Commerce proposes the following 3 initiatives to ensure a climate for continued growth of all types of housing options:

### I. Community Wide Commitment to Dedicated Funding

As St. Pete continues to grow, it is everyone’s responsibility to ensure the city has a sustainable supply of housing for all income levels. The establishment of an Affordable Housing Trust Fund, which would be protected from being used for General Revenue purposes and funded by a dedicated percentage of incremental tax revenues is the best solution to stimulate the development of housing for all income levels. There are several advantages incremental tax revenue percentage funding would have over Linkage Fees:

- a. The implementation of incremental tax revenue percentage funding would generate more revenue than a Linkage Fee on development in the long term:

1. If developments in St. Pete were subject to Linkage Fees mirroring those in Coconut Creek, FL, then the city would have raised \$870,444 in 2017 and only \$348,320 in 2018.
2. If the city used 2018 as a baseline year (\$113M in tax revenues) and designated 10.0% of incremental tax revenues for Housing Affordability, then \$1,000,000 would be raised based on expected revenues of \$123M in 2019. Assuming revenues did not fall below 2018, these funds would be recurring at various amounts. (Exhibit F)

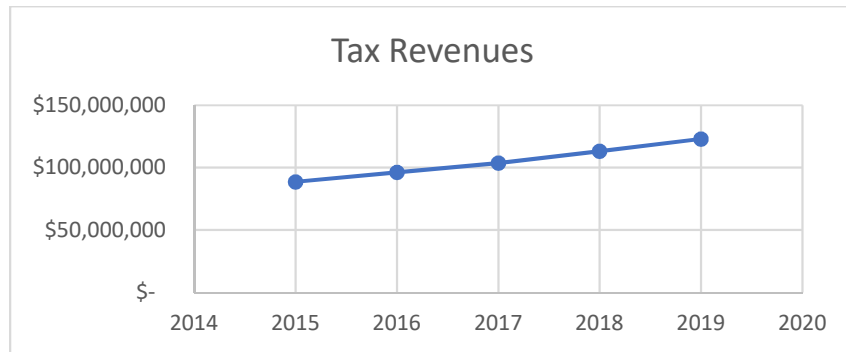


Exhibit F

3. If the city had implemented either Linkage Fees or incremental tax revenue percentage funding at 10% in 2016 the incremental tax funding would have outpaced Linkage Fee revenues \$5.1M to \$2.2M. (Exhibit F)

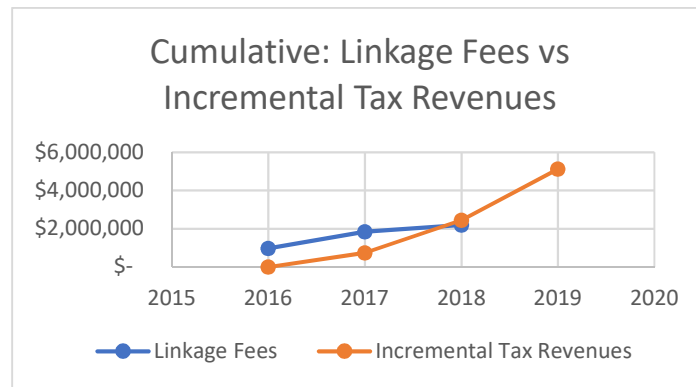


Exhibit F

- b. The second advantage of an incremental tax revenue percentage funding model over a Linkage Fee is the burden sharing such a model enables. A Linkage Fee dictates developers and end users of new construction only should bear the complete burden to fund affordable housing, but this is a

community-wide problem affected by rising values of both new and already built real estate.

- c. A Linkage Fee unfairly penalizes smaller / neighborhood developers, who have tighter margins and less room for error than larger / national developers, as well as developers of new office and industrial space, which the City is trying to stimulate in order to provide more and better employment opportunities for the City's residents
- d. During a recession, revenues from gross taxable property will decline at a much slower rate than revenues from Linkage Fees. Construction starts are the "first to go" when times get tough, even when that may be the time affordable housing is needed the most.

## II. Improve Access to City Owned Land for Non-Profit Developers

Amend procedures and rules for the distribution of city owned land to non-profit developers by making surplus land more readily available for development of workforce housing. Currently there are 146 vacant or boarded up lots the city has identified for potential foreclosure and 13 of lots have been acquired be sold to the public. Once a lot has been released, the process should be less onerous and time consuming and permit the release of more than one lot per entity, per year (with protections to assure that these lots are developed with affordable housing product in a timely manner as promised). These changes should also include a streamlined permitting process for expedited development.

## III. Update Zoning and Development Regulations

Amend zoning ordinances to permit smaller, infill multi-family developments in targeted areas throughout city but especially along high vehicular traffic and transit corridors and areas of higher elevation while continuing to build out the city's downtown skyline with apartments, condos and Class A office space. This includes:

1. Reducing the minimum lot size and parking requirements for the construction of Accessory Dwelling Units and permitting ADUs in more neighborhoods;
2. Encouraging smaller infill multi-family developments (du-, tri- and quad-plexes and small townhome projects) in SOME traditionally single-family neighborhoods. These smaller apartments can be more affordable and are typical in some of the City's most coveted traditional historic neighborhoods e.g. the Old NE, Old SE, and Kenwood.
3. Increasing density via zoning overlays that are in step with the proposed Complete Streets Initiative and, to prepare for rising sea levels, more density at higher elevations
4. Reducing or eliminating parking requirements for smaller units.