

*Board of County Commissioners*

# **Affordable Housing Trust Fund Plan FY 2023-2025**

**Public Hearing**

**September 13, 2022**



# Presentation Outline

- Background
- Trust Fund Plan
- Trust Fund Budget
- Action Requested



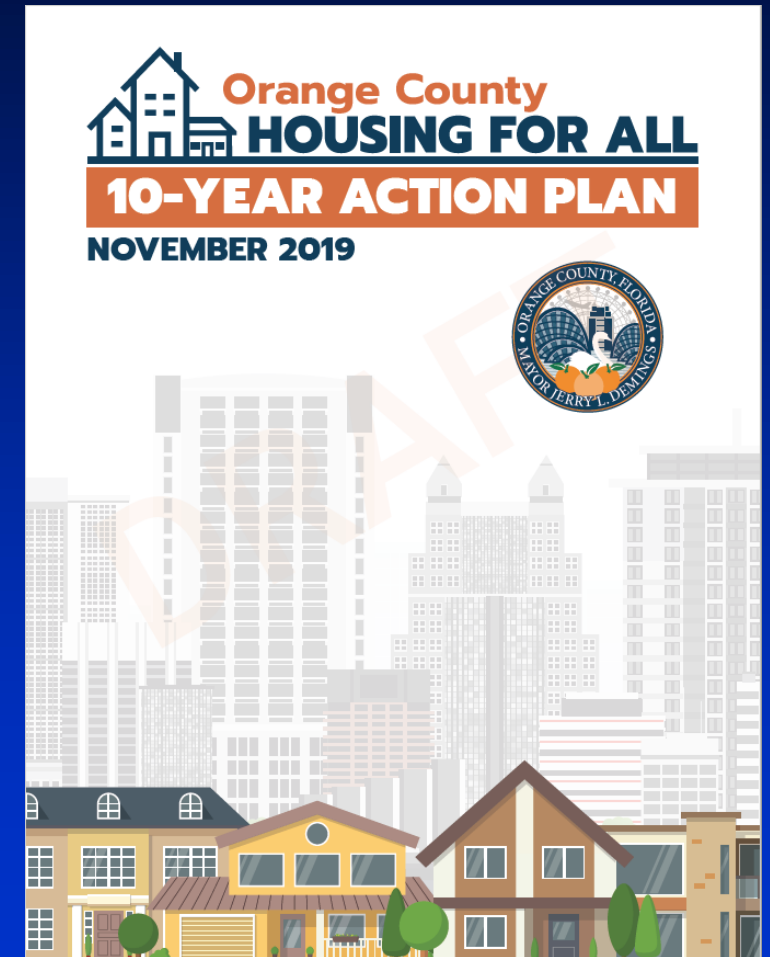
# Presentation Outline

- Background
- Trust Fund Plan
- Trust Fund Budget
- Action Requested

# Background

## Housing for All 10-Year Action Plan

- The Action Plan, accepted by the BCC on December 17, 2019, outlined recommendations and associated strategies for the production and preservation of affordable and attainable housing
- The main recommendations included creating new financial resources, such as **establishing a local Housing Trust Fund**





# Background

- March 24, 2020 – **BCC adopted Ordinance No 2020-09**, which provided a framework for the annual budget requirements of the Trust Fund, administration of the Program, and requirements of the Affordable Housing Trust Fund Plan (the Plan)
- September 22, 2020 – **BCC adopted the Plan**, which includes strategies and sub-strategies, an initial three-year budget, and projected outcomes



# Background

## Trust Fund Ordinance

- Purpose: Established the Trust Fund Program to create and preserve rental and ownership housing for very-low, low, and moderate-income persons and households in Orange County
- Funding: Each FY budget (starting FY 19-20) will include at least \$10M in general revenue fund dollars for the Trust Fund Program. The contribution will increase by 10% annually, for a total of \$160M over a 10-year period
- Trust Fund Plan: In accordance with the ordinance, **a new Plan must be prepared and submitted to the BCC every three years**, which will include strategies and priorities, reporting requirements, and uses of funds



# Presentation Outline

- Background
- **Trust Fund Plan**
- Trust Fund Budget
- Input Requested



# Trust Fund Plan

## Overview:

- The Plan is designed to provide for a reliable and flexible funding source to incentivize the production and preservation of affordable and attainable housing in Orange County

## Process:

- Implementation of the Plan relies on competitive processes to **encourage innovative partnerships and solutions**
- The Housing Trust Fund award cycle is designed to **complement and leverage existing and new resources** (CDBG, HOME, SAIL, LIHTC, CDFI funds)





# Trust Fund Plan

## Strategies:

1. Gap Financing for Affordable Housing Development
2. Leveraging and Incentives for Preservation
3. Land Banking
4. Revolving Loan Fund
5. Impact Fee Subsidies
6. Local Rental Assistance Pilot Program
7. Innovation in Housing
8. Additional Resources for Housing Construction and Education



# Trust Fund Plan

## Strategies:

- 1. Gap Financing for Affordable Housing Development:** to close the funding gap on projects to secure the production/acquisition of affordable units
- 2. Leveraging and Incentives for Preservation:** to preserve existing housing stock with a long-term strategy for investments

## Accomplishments:

- RFP Y21 (\$14M) resulted in selection of 4 projects and 633 rental units to be produced
- RFP Y22 (\$16M) expected to result in 3-4 awards and at least 600 units
- Awarded \$600,000 for 24-unit, new homeownership development

## Accomplishments:

- Investing \$1.5M to rehabilitate a 96-unit senior complex, extending affordability by 20 years
- Collaborating with the UF Shimberg Center on preservation data and strategy



# Trust Fund Plan

## Strategies:

3. **Land Banking:** to pursue land banking strategies for the purpose of ensuring the long-term affordability of new and existing housing stock
4. **Revolving Loan Fund:** to establish low-interest loan fund for nonprofit developers to scale-up the production of affordable homeownership units

### Accomplishments:

- Conveyed 27 County-owned properties to six nonprofits to produce 37 starter homes
- Another 15 properties have been identified and vetted for the next application cycle

### Accomplishments:

- Selected Neighborhood Lending Partners as the CDFI to administer the \$3.5M Revolving Loan Fund
- The fund is expected to launch in December 2022



# Trust Fund Plan

## Strategies:

5. **Impact Fee Subsidies:** to reduce the cost of producing housing by subsidizing impact fees for new affordable units
6. **Local Rental Assistance Pilot Program:** to provide rental assistance for extremely low and very low-income households that are participating in two-year self-sufficiency program

### Accomplishments:

- Established process to provide school and transportation impact fee waivers for Certified Affordable multi-family housing
- Targeting impact fee subsidies to assist homeownership construction

### Accomplishments:

- In partnership with CareerSource, a new pilot program created and staff hired to assist 25 families with rent while securing higher-wage employment



# Trust Fund Plan

## Strategies:

- 7. Innovation in Housing:** to encourage innovative housing policies and best practices through development
- 8. Additional Resources for Housing Construction and Education:** to provide training to existing and prospective developers and builders and counseling for homeowners, buyers, and renters

### Accomplishments:

- Incentivized the creation of low-barrier units to increase housing access for families with hardship, implemented the Access and Opportunity Model, and increased green building standards in RFP Y21
- With RFP Y22, incentivizing increased resident mobility options and public art

### Accomplishments:

- Require financial literacy programs be offered to residents/tenants
- Focus on homebuyer education



# Trust Fund Plan

## ■ Affordable Rental Communities





# Trust Fund Plan

## ■ Affordable Homeownership Units





# Trust Fund Plan

ORANGE COUNTY LOCAL HOUSING TRUST FUND FY 2020-2022, 3-Year Review		Consolidated FY20, FY21, FY22	
AHTF Strategies & Substrategies		Budget per strategy	Projected Units
<b>Gap Financing for Affordable Housing</b>			
Gap Financing for Multifamily Rental Housing		\$ 25,210,000	1,133
Gap Financing for Owner-occupied Housing		\$ 600,000	24
<b>Leveraging and Incentives for Preservation</b>			
Homeowner Housing Preservation		\$ 850,000	20
Multi-Family Rental Preservation		\$ 1,500,000	96
Long-Term Rental Housing Preservation Strategy		\$ 200,000	
<b>Land Banking</b>			
Development of County-Owned Properties by Nonprofits		\$ 880,000	37
<b>Revolving Loan Fund</b>			
NLP to administer		\$ 3,500,000	
<b>Total</b>		<b>\$ 33,100,000</b>	<b>1,310</b>





# Trust Fund Plan

## Summary FY20-22:

- The Plan's strategies are working
- The Trust Fund is providing for a continuum of affordable housing
- Public private partnerships are producing the most units
  - Providing primary delivery of new affordable housing
- The first three-year plan allowed for implementation and stabilization of new programs
- Strategies are nimble and able to respond to changing needs and growing priorities



# Trust Fund Plan

## Looking forward FY23-25:

- Continuing strategies from initial 3 year Plan
- Predictable schedule of annual activities
- Greater alignment with Annual Action Plan (HUD), SHIP LHAP, and Comprehensive Plan (Vision 2050 - Housing Element)
- Working on the intersections of transportation, resiliency, and sustainability
- Preservation of existing affordable housing



# Presentation Outline

- Background
- Trust Fund Plan
- **Trust Fund Budget**
- Input Requested



# Trust Fund Budget

- In total, **FY 2023-2025 provides \$50.8M** for the production and preservation of affordable housing
  - This includes an additional \$6.7M from FY23 budget
- The unit production and preservation projected for **FY 2023-2025 is 2,554 Affordable Units**

## AFFORDABLE HOUSING TRUST FUND PLAN

FY 2023-2025





# Trust Fund Budget

## ■ Proposed 3-Year Trust Fund Plan Budget\* (FY 2023-2025)

	Strategy	Budgeted Amount	% of Total Budget	Projected Units
1.	Gap Financing for Affordable Housing Development	\$40.8M	80.3%	1,875
2.	Leveraging and Incentives for Preservation	\$3.8M	7.4%	244
3.	Land Banking	\$3.6M	7.2%	145
4.	Revolving Loan Fund	\$1M	2%	115
5.	Impact Fee Subsidies	\$900K	1.8%	150
6.	Local Rental Assistance Pilot Program	\$190K	<1%	25
7.	Innovation in Housing (design support)	\$150K	<1%	
8.	Resources for Housing Construction and Education (technical assistance, counseling)	\$360K	<1%	
	<b>TOTAL</b>	<b>\$50.8M</b>	<b>100%</b>	<b>2,554</b>



# Trust Fund Budget

## Trust Fund Budget and Housing for All Goals

- Create new housing units
  - Investing heavily in strategies with proven track record in producing units
  - Creating opportunities for mixed-income communities
- Preserve existing affordable units
  - Collaborating with partners on preservation of affordable housing
- Diversify the County's housing stock
  - Assisting in the production of Missing Middle housing



# Trust Fund Budget

## Progress toward Housing for All goal

- **11,000 units to be produced or preserved as result of 10-Year Action Plan**
  - Housing Trust Fund (FY20-22)  
1,310 units
  - Other local resources (FY20-22)  
1,856 units
- **Housing Trust Fund (FY23-25)  
2,554 units projected**

Period		Units
FY 20-22	Housing Trust Fund	1,310
	Other Local Resources	1,856
	<b>Total</b>	<b>3,166</b>
	<b>% to HFA goal</b>	<b>29%</b>
FY 23-25	Housing Trust Fund	2,554
	<b>Total*</b>	<b>5,720</b>
	<b>% to HFA goal</b>	<b>52%</b>
*Does not include units from other local sources FY23-25		



# Trust Fund Budget

## Progress toward Housing for All goal

- Affordable and Attainable housing goal = 30,300 units
  - Affordable housing on target to meet or exceed 2030 goal (11,000 units)
  - Attainable housing tracking below target (19,300 units)
- Other strategies are necessary for more attainable housing:
  - Vision 2050/form-based code
  - Redevelopment of commercial property
- November 15<sup>th</sup> work session – Local Strategies to Increase Housing Supply





# Trust Fund Budget

## Housing for All Public Private Partnerships FY22-23

Project	Description	Location	Status	Units
<b>Universal Catchlight Crossings</b>	Universal Parks & Resorts has donated 20 acres and created “Housing for Tomorrow” nonprofit for the construction of 1,000 affordable units	East of Orange County Convention Center, off Destination Parkway	Developer selected – Wendover Housing Partners (Orlando)	1,000
<b>Disney Affordable Housing</b>	Disney World has earmarked 80 acres for 1,300 new affordable housing	Southwest Orange County, near Horizon West	Disney selecting third-party developer	1,300
<b>I-Drive Catalytic Sites</b>	County considering development/redevelopment of significant County-owned properties to include affordable and attainable housing	County-owned properties within the I-Drive CRA	Researching development options	TBD



# Trust Fund Budget

- **Amendment Process:**

- Minor changes can be made on an “as needed” basis, and the Affordable Housing Advisory Board will review and approve such changes before they become effective
- Substantial changes, such as addition or deletion of strategies and/or changes over 25% of the annual budget allocation, will require approval by the BCC



# Presentation Outline

- Background
- Trust Fund Plan
- Trust Fund Budget
- **Action Requested**



## Action Requested

- Adoption of the Affordable Housing Trust Fund Plan FY 2023-2025 to include priority strategies, annual budget requirements, and program administration to direct annual expenditures of the Affordable Housing Trust Fund.
- All Districts