



## JACKSONVILLE CITY COUNCIL

### **Critical Quality of Life Issues Special Committee: Affordable/Workforce Housing Working Group Meeting Minutes**

**September 16, 2022**

**9:30 am**

**Lynwood Roberts Room**

**First Floor, City Hall**

**117 W. Duval Street**

**Topic:** Critical Quality of Life Issues Special Committee: Affordable/Workforce Housing Working Group

**Attendance:** Council President Freeman; Council Members Pittman, Clark-Murray and Boylan; Elizabeth Payne and Noel Comeaux - Northeast Florida Regional Council; Paige Johnston - Office of General Counsel; Kim Taylor - Council Auditor's Office; Colleen Hampsey - Council Research Division

Subject Matter Experts: Dr. David Jaffee, UNF Professor of Sociology and Jax Rental Housing Project; Dwayne Alexander, CEO Jacksonville Housing Authority; Lindsey McClain, Executive Vice President First Coast Apartment Association

**Convened:** 9:33 am

Council Member Pittman welcomed the group, called for introductions and she talked briefly about the affordable housing crisis. CM Boylan explained the working group process, that will include input from subject matter experts and entities within the public, private and nonprofit sectors. The group will examine the scope of the affordable housing issue in Jacksonville, what is being done to address it and by whom, and the best practices or policies other communities are utilizing. He also noted that council's role in this process is to convene the relevant parties to affect change by making evidence-based policy recommendations in the committee's final report.

Dr. Jaffee, UNF and Jax Rental Housing Project, gave a presentation about causes and consequences that impact the housing market. He cited data from the Harvard Joint Center for Housing Studies, wherein 54 percent of renters in Florida are house cost-burdened and 28.5 percent of those are severely burdened. Cost-burdened households spend more than 30 percent of their income for housing, severely cost-burdened more than 50 percent. For those who own their homes, 26 percent are house cost-burdened, and 12 percent severely cost-burdened. Dr. Jaffee spoke of a housing shortage for UNF students, due to increased rental pricing for apartments near campus (average rent for a 2 bedroom unit increased by 26 percent from 2021 to 2022). Dr. Jaffee described the effect of property buyers/LLCs on the housing market, driving up home values and rental process to benefit their investors with increased profits, the financialization of shelter, locally concentrated in four zip codes (32206,32208, 32209, 32254). Those zip codes also have the highest rates for eviction notices.

Dr. Jaffee described secure and affordable housing as a necessity and public good. He spoke about how using homeownership as a means to build wealth can make some homeowners loathe to any changes or new construction that may threaten their property value (NIMBY), which impacts the availability of affordable housing stock. Dr. Jaffee talked

about other components that affect housing affordability including market forces (supply/demand, labor costs, increased housing expenses), regulatory factors (zoning/building requirements, tenant-landlord relations), roles of the private (financing, building) and public (subsidies, vouchers, public housing) sectors. Dr. Jaffee said that the scarcity of affordable housing is created by more complex forces than simply supply and demand. He suggested that for this working group, no idea for solutions should be off the table at this point.

Dwayne Alexander, CEO JHA, gave a presentation about expanding affordable housing opportunities and the work that JHA is doing in the city. JHA owns/manages more than 3000 units and is actively seeking to purchase existing multi-family housing stock to expand low-income affordable housing. He said that while there are new apartments being built in Jacksonville, few of those are within reach for low-income applicants (the average income for JHA residents is \$14,000 per year). Mr. Alexander talked about the use of vouchers and rental assistance, and the costs to maintain older units each year. He talked about the Jax Urban Initiative, which has completed close to \$100 million in property improvements. He said that over the last 3 years, the JHA has renovated and converted aging public housing stock to a rental assistance and housing choice voucher platform, and that JHA no longer follows the traditional public housing model and is instead acquiring existing housing stock, developing new housing stock and stabilizing existing housing stock.

Mr. Alexander talked about the difference between affordable and low-income housing. Affordable housing typically costs 30 percent or less of someone's income, and the price may be offset through vouchers or tax credits to the developer. Low-income housing is for residents making less than 80 percent of the local median income, typically managed by a housing authority. He said that JHA partners with 1515 property owners/landlords, the majority of whom own only one property. He mentioned the issue of housing investors increasing prices and making housing unaffordable. Mr. Alexander said that JHA is in the final stages of the application process to receive a S&P Credit Rating for Municipal Bonds, to promote their own housing development and he said that JHA is open to collaborating with outside developers interested in housing solutions.

Lindsey McClain, First Coast Apartment Association (FCAA), gave a presentation about affordable and workforce housing. FCAA is a membership-based organization that represents over 105,000 apartment homes in Clay, Duval, Flagler, Nassau, Putnam, and St. Johns counties. She said Jacksonville is one of the fastest growing cities in the country with a .9% population growth in the past 12 months, and currently there is 6.9 percent vacancy rate. Ms. McClain said that there is a supply gap of 8,721 apartment units (but for low-income renters the shortage is 24,848 units), with a 2030 projected supply gap of 57,000 apartment units. She said that apartment complex owners have seen increases in construction, insurance, and payroll expenses that impact rental prices. Rental prices are also affected by municipal policies like property taxes and impact fees, and population growth. Between July 2019 and July 2020, Florida gained 240,000 residents most of whom are higher income households. She talked about discriminatory zoning limits on multi-family development, wherein 91 percent of zoning in Jacksonville is for single family homes. Ms. McClain explained tax discounts for developers and how that may decrease rents and put more disposable income into the hands of renters from the savings.

There was a discussion and questions and answer session between the attendees and the panel. The following housing issues for consideration were discussed:

- Fallibility of trickle-down savings from developer tax incentives
- Rent control and moratorium on increases
- Housing as a human right
- Updating zoning laws to reflect current conditions
- NIMBY (not in my backyard) backlash to zoning changes
- Lingering effects/current impact of red-lining
- Increase opportunity zones in certain districts to lower property taxes
- Housing as healthcare
- Housing and food

- Alternative housing, tiny homes
- Impact of LLC purchasers on market, increased rent to existing adjacent properties
- Recreating 'the missing middle' in residential development, diversified zoning within neighborhoods
- Housing and workforce development and literacy
- Decreasing regulations for developers
- Supply and demand, more housing fixes the problem
- Supply and demand as an oversimplification, omits the external variables
- The effect of foreign real estate investors
- The barriers created by income requirements (usually 3x rent cost), security deposits and rental application fees

CMs Pittman and Clark-Murray shared their experiences with public housing as a safety net when they were growing up. CM Pittman thanked all attendees and the panel for their participation. The next meeting for this group is scheduled for September 30, 2022, at 11:30 am.

**Adjourned:** 11:34 am

Minutes: Colleen Hampsey, Council Research

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