



Agenda Item #1  
March 26, 2007

TAMPA BAY REGIONAL PLANNING COUNCIL  
CLEARINGHOUSE REVIEW COMMITTEE

Tampa Bay Regional Planning Council  
Pinellas Park, FL 33782

July 10, 2006  
11:30 a.m.

REPRESENTATIVES PRESENT:

Ms. Jill Collins, Hillsborough County  
Mr. Julian Garcia, Jr., Hillsborough County  
Reverend James T. Golden, City of Bradenton  
Mr. Michael Guju, Pinellas County  
Mr. Kenneth Hoyt, Hillsborough County  
Mr. Robert Kersteen, Pinellas County  
Commissioner Deborah Kynes, City of Dunedin  
Vice Mayor Janice Miller, City of Oldsmar  
Councilperson Carlen Petersen, City of Clearwater  
Commissioner Robin Saenger, City of Tarpon Springs  
Mr. Philip Waller, Hillsborough County

REPRESENTATIVES ABSENT:

Mr. Richard Albrecht, Pasco County  
Mayor Ward Friszolowski, City of St. Pete Beach  
Commissioner Bill Dodson, City of Plant City

OTHERS PRESENT:

Ms. Karen Branch-Brioso, Tampa Tribune  
Ms. Susan Caswell,, ECFRPC  
Mr. Roy Chapman, Florida Design Consultants  
Ms. Tracey Daly, Wilson Miller  
Commissioner Ronnie Duncan, City of St. Petersburg  
Mr. Kent Fast, FDOT  
Mr. Roger Tucker, General Counsel, TBRPC  
Mr. Avera Wynne, Planning Director, TBRPC  
Mr. Richard Kephart, Senior Planner, TBRPC  
Ms. Wren Krahl, Manager of Administration, TBRPC  
Mr. John Meyer, Principal Planner, TBRPC  
Mr. Patrick O'Neil, Senior Planner, TBRPC  
Ms. Jessica White, Senior Planner, TBRPC  
Ms. Sue Young, Secretary, TBRPC

Ms. Collins called the meeting of the Clearinghouse Review Committee of the Tampa Bay Regional Planning Council to order on July 10, 2006, at 12:10 pm.

## **Agenda Item #1 - Minutes**

Councilperson Carlen Petersen moved that the minutes of the September 26, 2005 meeting be approved, Commissioner Kynes seconded the motion; the motion passed.

## **Agenda Item #2.A - April 10, 2006 Council Meeting, DRI #256-Northwest Sector, Manatee County Discussion**

Mr. Wynne reminded committee members that discussions over the methodology during the DRI public hearing, both the affordable housing methodology and, to a lesser extent questions on the transportation methodology, precipitated this meeting. No action is required; this is for information.

## **Agenda Item #2.B - Legislative Committee Report Comments from the May 8, 2006 Council Meeting**

Ms. Collins asked if the committee needs to go into any further detail on this item. The committee members indicated that was not necessary.

## **Agenda Item #3 - Transportation Modeling**

Mr. Wynne noted that Mr. Roy Chapman from Florida Design Consultants was present. Mr. Chapman has reviewed developments of regional impacts for the Regional Planning Council for more than twenty years; he is very knowledgeable about DRI transportation methodology. We asked him to put together a PowerPoint presentation today to help the Council members, particularly the CRC members, have a better understanding of the methodology.

Mr. Chapman stated he was asked to explain the process associated with transportation review of Developments of Regional Impact. There is a core section of pieces of a puzzle as it goes forward in building a Question 21 analysis. The first one is the transportation methodology meeting, where everyone gets together and agrees on how the project traffic will be analyzed. Then the applicant goes back and revises the methodology as agreed upon. Following approval by the transportation reviewers, the applicant prepares the Application for Development Approval, including the transportation analysis. The analysis then responds to a series of sufficiency comments raised by the various review agencies. Following a declaration of "sufficiency" by TBRPC or the applicant, indicating that no more information will be requested or provided, the TBRPC will prepare and adopt a Final Report. Upon adoption by TBRPC, this document is submitted to the government responsible for issuing the Development Order and the Florida Department of Community Affairs to be utilized as a foundation for the Development Order. Following adoption of a Development Order by a local government and the subsequent 45-day appeal period, the applicant can proceed to construct the project in accordance with the terms and conditions identified in the Development Order.

In addition to the project applicant(s) and their representative(s), transportation methodology meetings are typically attended by the Tampa Bay Regional Planning Council, the affected local government, the Florida Department of Transportation and the Metropolitan Planning Organization. The Florida Department of Community Affairs, the appropriate mass transit

provider and adjacent governments that may be impacted are invited to attend each of these meetings.

The main topics of discussion at that point are: how the applicant is going to calculate trip generation for the project, how internal capture and pass-by capture would be handled, identification of the modeling techniques to be implemented, and which other developments to include as background traffic. The report is revised by the applicant's representative to document the agreements reached at the meeting.

The revised methodology statement is distributed to the various transportation reviewers to verify the alleged agreements. Once approved, the applicant can go forward and prepare the analysis for inclusion with the Application for Development Approval.

Mr. Chapman's presentation is attached.

Questions and comments followed.

Mr. Waller noted that the report discussed proportionate share and there was a schedule of intersection improvements and road improvements. He asked if they are committed to the improvements in the table or if that is the proportionate share.

Mr. Chapman said that is to identify the improvements as well as the percentage of project impact. So from that the local government and the other review agencies, including the regional planning council, can come to an agreement as to what the corresponding fair share proportionate share payment would be. When you are talking about proportionate share there is a huge process to go through to identify what comprises a proportionate share.

Reverend Golden said it seems as if we will always be behind. Any development that comes along is going to create transportation problems.

Mr. Tucker noted that the DRI process is set up as a neutral situation; the DRI is not required to fix the ills of the world. The developer is only responsible for mitigating the project impacts. The DRI developer is not in a position, nor is he required, to fix all roads.

Reverend Golden stated he thought we had comprehensive future land use determination for the region.

Ms. Collins asked Reverend Golden if he is asking about piecemeal development and he said he was. Ms. Collins said that is different from a large DRI.

Reverend Golden said we ought to have something in place before developers come in.

Mr. Wynne stated that the models used in the analysis take into account the long-range transportation plans of the MPOs. They are based on those to begin with. As far as the road network is concerned, the models have socio-economic data predicated on where they think development is going to occur based on local knowledge, and the comprehensive plan underlying it plus the planners who have seen the growth patterns. They have estimated where

they think the new jobs and the new population are going to occur; this data is in the model. Right or wrong, they are there. The second thing is that before the DRI can go forward it has to be consistent with the comprehensive plan. If the underlying comprehensive plan doesn't support that density and intensity of use, they can't go forward. So either the comprehensive plan has to be amended before or amended concurrently with the Development Order of the DRI. If this isn't done, the DRI can't go forward. That is basically staying consistent with the Florida Statutes.

Vice Mayor Miller noted that what Mr. Wynne is saying is that they are doing everything according to statute, so if you want to change anything, you must have Tallahassee change the statute.

Mr. Wynne said, rather, the comp plan can be changed. Local communities can change their comprehensive plans.

Mr. Hoyt asked if local government can change the stated capacity of the road.

Mr. Wynne said there are two basic levels of roads now in Florida. There are SIS roads; the state sets the level of service on those roadways. All other roads are under local discretion for level of service.

Mr. Hoyt stated Dale Mabry is a state highway. The Board of County Commissioners admitted to the *St. Petersburg Times* a few months ago that, in order to avoid having to comply with concurrency, they raised the capacity of Dale Mabry to a different level. You talk about these handbooks. The stuff that we see here is always so nice and tidy. It's been done according to this rule book and Florida Statutes by people who are professional engineers. But we get in a car and go out on any road you want to go to and, if it is an arterial, chances are you are going to wait three lights in order to get through. You ask local government and they say, "We didn't plan it that way."

Ms. Collins suggested that we focus on impacts of DRIs.

Mr. Hoyt said what they had to do was show that they didn't add the arterial or traffic to a certain point of Dale Mabry, just north of Busch Boulevard and south of Fletcher. Never mind that there were 20 other DRIs in Pasco that were adding traffic to that exact same area.

Ms. Collins said, along these lines, if there is proportionate share, how is that money being spent? How is local government spending that money?

Mr. Hoyt stated the fact of the matter is that we just approve DRIs. We never said, "Hey, wait a minute. South Pasco and north Hillsborough counties need arterial roads that do not now exist in order to accommodate the traffic." We just keep applying these methodologies.

Mr. Wynne suggested one point to keep in mind. The local government signs the development order. It is in their power to use whatever legislation either for or against the approval of the development. What happens here in this regard is they say, "Okay, we don't know what you are going to do in Hillsborough County, or Pasco County, but we recommend that you do this to

mitigate the regional impacts.” That’s really what we do here in this process. We don’t have that much control over the sins of the local government if they choose to ignore the recommendations or about what they do with the local capacity.

Mr. Hoyt said they have never done a large scale longitudinal study to show the changes over time. The notion of taking a fixed point in time, which is what we do with the regional transportation study, thinking that is going to survive through thick and thin over the years and be of any use to us is a failed notion. Last but not least, there is the county line, Hillsborough and Pasco. We could have lined up all the DRIs and looked at what was going to happen to Dale Mabry and the Veteran’s Expressway and a few other roads. We could have done something about it. The methodology is so stagnant.

Ms. Collins asked if there were any further questions for Mr. Chapman.

Mr. Hoyt said he would like to hear an answer about why it is that we have this static methodology rather than a dynamic methodology. Why is it that there is no verification methodology that goes with it and why are there no updating procedures to change the way that it happens. Why is it so static?

Mr. Chapman stated that by statute, if an applicant comes in and they want to gain approval so they can go forward and build their project, they have to guess at today’s time what they are going to build. What happens is the guy gets started and five years down the road, the market changes and he wants to build offices instead of residential or commercial. So he has to come back in with a notice of proposed change. He then has to do another traffic study with this change of land use that he will take another snapshot of based on existing conditions at the time that happens. For example, if it is in 2010, he’ll remedy the traffic in 2010 and project that up and he will have to make any additional improvements. The model is not sophisticated enough that it identifies if there is going to be a change in where people are going. It is a gravity model. It says there are X number of residences in each one of these traffic analysis zones surrounding a region and there is Y number of office developments. If a new office development comes up after the time the DRI went through, it’s not going to know about it so it will not have included a trip for residents for the new office. It’s really tough to tell an applicant he is going to have to do another study four years down the road to take a look at some other development that might have come in. When you go into the planning level in the various counties, they then look at a five- or a ten-year plan that considers what is needed globally, for everybody who is going to be in this area. It is not done in the DRI process; it is more at the MPO level.

Mr. Hoyt noted that then they would be able to tell you. If they have already done a comprehensive plan and provided adequate roads, they would already know what is needed.

Mr. Chapman said that what happens with the DRI is that it is a new project that probably wasn’t even considered when they put the plan together and it is going to generate a lot more trips in a lot more concentrated area than was considered in the overall regional plan. That’s why they are studying what his impacts are on the highway network.

Mr. Garcia stated that in our lifetime the roads will never be adequate due to the fast growth in Florida.

Mr. Guju said part of the frustration is the lack of historical background.

Mr. Wynne said within the scope of the DRI process, which is where the question came up, the specific statement that Mr. Hoyt made was that the methodology is broken. And I said it may be broken but it is not as broken as some other methodologies. In terms of us trying to determine the impact of what these developments of regional impact have, we are just trying to determine that development's fair share towards the sins, if you will. The question of reforming growth management so we don't have any additional backlogs and traffic, that is what SB 380 was supposed to do. I don't know if it is going to come anywhere close, but that is the same thing. The Legislature said, "We would like to see infrastructure concurrent with development." That is really the bottom line of what you are seeing. The backlog is so great now that the processes we put in place are really just to keep us afloat and new development pays its own way. So at least we fixed that, at least to the extent that, if it is implemented correctly, as development occurs in today's time and going forward, it pays its way. It doesn't do much at all for the backlogs, which are large and difficult to overcome.

Mr. Hoyt said that part of it is in Tampa they built the matrix as a relief valve for all of the congestion. That is how people get around.

Mr. Garcia noted that the matrix is directly contrary to the current planning philosophies. They purposely planned the type of matrix you are talking about out of the sub-division.

#### **Agenda Item #4 - Affordable Housing Methodology**

Mr. Wynne introduced Ms. Susan Caswell with the East Central Florida Regional Planning Council. She is one of the primary authors of what is known as the ECFRPC Affordable Housing Methodology, which some of the DRIs use today. Before we draw our arrows into the quiver, we have to understand that back when this methodology was adopted, it was chaos. It was a free for all. Every time someone tried to come in and implement uniform rules you'd have in front of you, it wasn't clear what methodology you should use. There was no uniform methodology. The first one was in the early 1990s. There was strong consensus on methodology at least and people were happy with it at the time. As things have changed, particularly as we've had a hyperinflation of housing prices, it has become more difficult to do the analysis and it's put pressure on the methodology.

There was an interim work project of from the House Growth Management Committee, which works closely with Rep. Mike Davis from Naples on the workforce housing issue. They have told DCA there are problems with this rule. So DCA has issued a letter that says they are going to do something about the rule. They said they are going to have regional planning councils at the table for the rulemaking. Mr. Wynne has heard rumors there is no specific timeline on dates, but he thinks they are going to try some type of recommendation by October to start the rulemaking. The bottom line on that is that the different information and things we've discussed today differ from the transportation one. That wasn't as effective today but we can't do much about it. We may be able to do something about the affordable housing methodology. So we will be able to take the input/recommendations people have today, and as the dialogue continues at the planning council level, to the people in Tallahassee as they revise the rule.

Reverend Golden asked if when the East Central Florida Housing Methodology was designed was it adopted with the concept in mind to apply it to the Tampa Bay region and the Southwest region.

Ms. Caswell said the answer is yes and she will explain. She will give some background about why the East Central Florida Regional Planning Council is developing a methodology used statewide and how that came about and a little bit about what the methodology does and doesn't do and where we are going with this. There is a lot happening with this right now and it is a good time to become educated with this and do something with it. She shares the frustration with this methodology. There are things it does well; there are things it does not do well at all. Things are changing at this point because of what is happening with the market and because of what is happening at the other regional planning councils.

Basically, this area decided to address the affordable housing issue on DRIs back in the late 1980s and early 1990s. The reason ECFRPC got involved was, at that particular time, there were more DRIs in our region than anywhere else in the state. Because it was a draft methodology the developers had problems with it. We tried to address those problems by developing a methodology of our own. It is a county specific methodology. That is what we had done in 1992 and DCA approved the use of that methodology. Ms. Caswell's PowerPoint presentation is attached.

Questions and comments followed:

This methodology does not estimate demand well.

Reverend Golden stated there is a deficit in low and very low income housing.

One of the things that happened when ECFRPC worked with DCA to make this a state-wide formula is that they wanted us to put certain provisions in including a significant threshold. This accounts for some deficits.

DCA wants to amend the ECFRPC methodology. All the changes to date have weakened it.

Ms. Caswell noted that DCA methodology does not allow double counting, which is one of the main reasons why this rule has never been used. No one has come up with a way to do this. People ignore this rule and use the ECFRPC methodology because we give them an alternate.

Mr. Garcia said, using the project discussed today, build-out in 2018, single-phase, there is no sensitivity as to interest rate differences, there is no sensitivity now to the different burdens on the multi-family or the increase in rent. There are several issues.

Ms. Caswell said they tried to deal with this issue also. When they have a single-phase project, particularly a large one like that, we put a manual point in the middle where they must recount. This is done in transportation, so there is no reason why it can't be done with housing. We say at this point in your development plan, you must come back and look at the issue again. One of the issues that has come up and which is still in contention right now between the consultants working to change the methodology is the question of under calculating demand. They want to

say there is a percentage of people who already live in the area and therefore we should be able to take them out of the equation because they already have housing. Our response to that is yes, but you have people who are under housed. You have an existing issue and you can't tell us how many of those people live within 20 minutes of the development. But that is going back and forth with them because their response to that is, "You can't ask us to fix existing problems. You can only ask us to not make it worse."

Mr. Garcia said you can't go back and fix that part of the problem, but the additional items they are adding, they need to handle that part of the problem.

Ms. Collins reiterated that this program was put together to give everyone the opportunity to be educated. If we could all stick together and pay attention to this because we are going to have questions down the road.

Ms. Caswell stated that even when there is a housing shortage everywhere it is very easy for the developer to come in and show adequate supply. There has been some mitigation, but there hasn't been a whole lot. She thinks the value of this methodology is that it tells you the link between jobs and housing and that is an important piece of the puzzle, but something has to happen with it. And something is happening with it.

The way this started was there were consultants who called DCA and called the Legislature and said, "We have to do something about this methodology." They wanted the Legislature to take this up and do something in the last legislative session. Their complaints about it were that it was being implemented inconsistently, DCA was being inflexible with it. The bottom line was that more and more often they were unable to show adequate supply. So all of a sudden it was starting to hurt. That was the impetus for that particular action on the consultant's part. At the same time, several of the regional planning councils are rejecting the methodology because it doesn't show a need and they know there is a need. So does the Southwest RPC which has gone to a straight 5% land donation for all DRIs at this point. The Northeast RPC will look at demand, but then they will sit with developers and work out some sort of mitigation. South Florida does something similar. You see more rejection of the methodology and, frankly, at the ECFRPC they are starting to reject the methodology because we know there is not supply and we keep seeing study after study showing supply.

So there are these two things happening at one time. The consultants are saying you have to ease up on us because this isn't working for us and the RPCs saying you must make this tougher because this isn't working for us. So we have talked several times, mostly in conference calls, with the legislative staff and with the consultants and regional planning council staff and some local staff, and we have worked through a lot of issues on this methodology. The thinking was that DCA would abandon their rule because there is a lot of confusion with these two things out there. One of the problems we have is that consultants will cherry pick the best parts of each of methodology and you really can't do that because they are not consistent. So the legislative staff wants DCA to abandon the rule to take some amended version of the East Central RPC methodology and to make it their rule. Where we are with that is the group that was meeting came to enough agreement that the legislative staff felt comfortable issuing a report to the Legislature but not taking any action last year. We were going to continue meeting and continue working on these issues.

Reverend Golden asked for a copy of the report.

Ms. Caswell said that, in the meantime, she has been talking to DCA telling them that the bottom line is all of the changes we've made to date have basically weakened the methodology. There is nothing there that has strengthened it. In her mind if we go forward on this same track, we are going to take this methodology to rulemaking and it's going to become a rule and it is going to be rejected immediately by almost every RPC in the state, including hers. She told DCA that they had to stop and think about what is going to happen here because we can't go along this path, adopt this rule and have it universally rejected.

Ms. Collins asked if they can form a committee or can the staff from the RPCs come up with some recommendations.

Ms. Caswell said Tracey Suber has been put in charge of this at DCA; she is going to be doing that. There will be lots of opportunities for RPC input and Ms. Caswell said she would be sure to notify all the RPCs when that happens because we really need to address this issue now, before they go into rulemaking. The other thing that her RPC is doing is trying to take some of these DRIs and go in ahead of all this and not even look at whether there is supply. We would say to them, and we have had some developers who have been receptive to this, "There is a benefit to having that diversity of housing on your site. Let us come in and see if we can help you figure out how to incorporate housing at all different levels, how to keep it affordable." If we can possibly do it, we would give them some incentive like increased capture. We are going to address it more in a positive fashion earlier in the process so we can get some real answers, rather than trying to argue over these numbers.

Ms. Collins noted that essentially what Ms. Caswell is saying is to work with the developer in helping them try to find solutions. That sounds really good. She bets that probably not every RPC has the staff with the expertise available to offer that.

Ms. Caswell said that is part of the issue. Actually, her RPC won't either because she is leaving on the 21<sup>st</sup>. She has been talking to Nancy Muller at Housing Finance and Tracey Suber at DCA about trying to do this sort of thing. They have that new \$50 million workforce housing demonstration initiative and she is hoping they can use some of that to create a position which will liaise between the DRI folks and the local government and RPC. If you think about the DRI process, a lot of this is not in the affordable housing business. It is a totally different business. So we are coming at them and asking them to do this; it is a threat to them. So if we can come instead and say, "Let us figure out how to do this," you might get somewhere.

Ms. Collins said perhaps get them someone to work with, such as another group or another non-profit. She is on the affordable housing study group, and they have discussed this. That is something she has mentioned – always trying to find the supply. There is definitely an opportunity there to either work with them or with the Shimberg Center.

Ms. Caswell said she had talked with Nancy because they are talking about doing expedited permitting and it goes along the same lines of trying to make housing development easier.

Reverend Golden stated that the greatest need for low income affordable housing is to be found in our cities. All the calculations for affordability are predicated on the absence of the supply.

To him the reality is that it is more an issue of redevelopment.

Ms. Caswell said there are a few different things happening now. It's probably the same over here as it is over in East Central. There is the city and the first ring of suburbs where there are low income people. One of the things going on there is a loss of economic opportunity; the jobs are moving out to the suburbs. There are areas in the first ring suburbs where the housing is more affordable and ownership is higher. But there haven't been any jobs and those people don't make any money. Therefore, they still have affordability problems. There is substandard housing there, that is true. But a lot of what we are trying to do with the DRI methodologies is link the housing to the jobs. So if we are asking the DRI developer to provide housing in that development, it is because there are jobs, low wage jobs, in that development. There needs to be housing out there because part of the problem with the people in the inner ring is that they can't get out there to those jobs. That is where the jobs have gone.

Reverend Golden said it seems that the methodologies always deal with new people and new jobs, but the real problem is that you want to give some consideration to the fact that everybody is going to be working out there.

Ms. Caswell said they need to look at the jobs and the housing units near the jobs and it's not relevant whether the people who are going to take those jobs initially are already in the area, because people come and go; jobs and housing stay. That is where the balance should be, between the jobs and the housing. Part of the issue here is trying to make sure you are looking at the local situation and being flexible enough to deal with the local situation. If you had a situation where you had an area like that that was close enough to that DRI, then it should be perfectly within the local government's authority's ability to say, if you come in and fix up substandard housing in this area because it is close enough to this development, that can count. It is in our methodology that that could count toward mitigation.

Reverend Golden said that is exactly what he is talking about.

Ms. Caswell said the methodology does specifically allow that. Our methodology does allow you to go in and rehabilitate substandard housing and possible mitigation. The problem is we never get to that point. We never get to the mitigation because of the supply calculation.

Reverend Golden noted that since they can come in and do the building in that particular area – anyone can expand the boundary – so I can say to the local government “I'm 15 miles from this development. If you will go over there and put in low income housing, you can mitigate against your development. But because the statute for the rule says 10 miles, you can't count after 15 miles to the supply.”

Ms. Caswell said DCA's methodology allows mitigation outside 10 miles. Although the ECFRPC methodology doesn't specially allow that, it has been allowed in certain circumstances where developers have actually shown a shortage. That is something that could be worked out. The mitigation stage is the most flexible part of it, because you should be able to work on a local solution. The RPCs don't want to stand in the way and DCA doesn't want to stand in the way of working out a local solution for mitigation. She would like to see the demand side preserved but the supply side be abandoned and you say, “Okay, there is your demand, let's talk about how you are going to meet part or all of this demand.” They have found from the consultants who have worked on this with ECFRPC that some of them would buy into that, because it would

give them certainty.

Mr. Wynne noted that the Council is taking that approach with one of the DRIs under review now. We are not locked into anything right now, but they know if they do a methodology geared the way it is right now they are going to need some mitigation. So, rather than putting themselves in a situation where they have to do mitigation, we are suggesting that they come forward with a demand. Don't even worry about the supply side because it is so difficult. But look at demand and also focus in on the policemen, firemen, and schoolteachers. Show us a mitigation plan and don't even worry about the supply side.

Reverend Golden said maybe now is the time to simply acknowledge as a legislative body that there is a lack of affordable housing throughout the state, period. You don't need to argue about the supply. How hard would that be to sell to this liberal minded enlightened legislature we have now? It seems the problem is the developers are jumping through hoops when they feel like it to accommodate us in terms of affordable housing. But what if they don't feel like it?

Ms. Caswell noted that during the last legislative session a workforce housing incentive bill was passed that increases the DRI threshold if the developer provides workforce housing on the site. She worked the numbers out for Orange County and basically what it says is, based on the definition of affordability, median income, etc., a developer can come in and go from 3,000 residential to 4,500 residential units as long as 675 of those units cost \$300,000 or less. That is not really affordable. The housing itself creates a need for employment. There are things happening at the Legislature because there is an interest in providing housing, but the level of understanding up there is not where it should be.

Mr. Hoyt said he is struck by the fact that while we have things we don't like, but are necessary, we create systems of tradable permits that allow people to burn gaseous coal or pollute the air or do other types of things. This is a case where we are actually trying to get people to do something that we like. It occurs to him that a system of tradeable permits for building affordable housing and, in fact, for building all housing, so that essentially you don't get the permits for building the housing that you don't want. And you can tie this together. The three dots that you must connect are the comprehensive plan, the school system plan, and the transportation plan with the local government thing that says we have a shortage of affordable housing in these particular areas and, therefore, we are going to release into the marketplace tradeable permits that allow you to build housing in these areas. Until that housing is built we are not issuing any more permits for the other areas. It isn't a moratorium, because it has an open end. The gate will come down and permits will gush out at the other end once everyone has worked out the agreement to build the housing in the places that you designate. Instead of doing this thing with lawyers in Tallahassee, we have an ability to write things like this that never get used and that totally muck up the system. Let's try some free market approaches for a while.

Ms. Caswell said that Orange County has a workforce housing task force coming up and we are trying to focus that effort on seeing what the county can do to make the market function better. We did a summit back in May and one of the things we came up with is 93% of our potential first-time homebuyers can't afford the housing being built – 93%. We are not talking about workforce housing; we are not talking about affordable housing; we are talking about community housing. We are talking about housing for almost everyone in the community, and the market is not providing it. The way we should be approaching this is providing that housing every time

there is development coming in – providing that mix of housing. Whatever that local government can do to facilitate that, they should be doing. If they are not doing that then they are wasting that money. There are local governments trying to take the SHIP and the Sadowski money and provide more and more subsidy because we have more and more of our workforce who can't afford housing. If they were looking at it in a market perspective they might be able to focus that more on the lower income folks who are always going to need assistance.

Ms. Collins noted that the problem is that land prices are so out of control. If there is a 1000-unit development and you are required to make 50 units be affordable, the rest of that community pays for those units by having more expensive housing. So the whole problem trickles up.

Mr. Hoyt said if you give Reverend Golden the ability to say, "Let's consider that those new affordable housing units built outside the 10-mile can substitute for the unusable housing that people are being forced to live in other places of the city. Guess what? The opportunity to live, the higher priced stuff, you can have."

Ms. Collins said they are still paying for it ultimately – at any level. However far that money is going to go is what they are going to do.

Mr. Hoyt said the only business we have ever created that allows consumers to receive a subsidy from the private sector is the airlines. The airlines have managed to lose money forever and ever and lower tickets and let people who normally couldn't afford to fly to fly. All of us accepted the fact that there will be a government subsidy component in this in various degrees. But he thinks we have to get back to introducing market things and let local governments' role be to manage the system of creatable permits. There are companies out there that will run the system for you.

Mr. Tucker noted that affordable housing is going to be a misnomer. When you are talking about affordable housing, two by four is the cheapest way to go and the insurance companies may not be insuring stick houses in four to five to ten years. We are going to be stuck with a lot of properties that are going to end up being foreclosed on because there is not going to be insurance available. We have to look at affordable housing and balance today with the insurance crisis and the tax crisis. We have found there are a lot of complexes right now that are providing affordable housing that will not be affordable next year. There will be many foreclosures. He knows of one right now that will be taxed out of business. They cannot afford to rent, pay their taxes and they have been cancelled on their insurance.

Ms. Collins said she thought that the focus today was to work on the methodology. We have had the housing think tank and it is always interesting to discuss this.

Mr. Wynne noted another issue that Ms. Caswell didn't touch on is that, when it gets to the demand side, we are only focused on the employment of the head of household as opposed to looking at just the demand generated by the development per se. The residential units themselves do generate the need. Some of that is built into the demand for the commercial, but there is also the police and fire and all these other things, too. Maybe we need to go away more and look at the community holistic approach and getting the right mix as opposed to what the employment generates. A lot of people are willing to drive a long ways for a job.

Ms. Caswell stated there is a precedent for that because FIAM doesn't tie it back to the fiscal

impact. But there is a formula in FIAM that calculates the housing need generated by residential development and that is one of the things she would propose DCA add to our methodology.

Reverend Golden noted that one of the problems in this area, it is one of the top ten most expensive places to live in the country There is a great disparity between the cost of building an affordable, workforce housing home and the weight of the people there. He would like to see some kind of weighting. The greater the disparity between the median income of the worker and the median income of the development, the greater the reason for trying to do replacement housing as opposed to the notion of accomplishing this diversity within the new development. The cost of housing and percentage increase annually is much, much greater than the rate of the increase of income. Yes, there are a lot of folks who can buy these houses, but they are all baby boomers, retirees and that paradigm doesn't fit everywhere. It doesn't fit in Manatee County.

Ms. Caswell stated that ECFRPC had someone come in to talk about our market and it does exist in our area. When you look at supply and demand, if you were to look at household generation numbers and housing production numbers, they match. But then when you factor in the outside migration, all of the sudden you are short 10,000 units a year. And just the fact that you are short on housing supply is driving up the price. Part of what we are trying to do is get them to open up that gate and make it easier to provide the supply. When we did our summit we provided a tool kit because there are so many strategies and you should be using all of those strategies, whatever combination makes sense for a community. One of the things that communities could do is encourage infill. There is a lot more potential for infill than you might think. But, at the same time, you should be looking at what new development is doing. You don't to just recreate the problems that were created 30 years out there on the fringe. You are going to have to do both at the same time. It's something that is handled more effectively, at least incentive-wise, at the local level.

The local government should be looking at the housing element holistically and employing a whole range of strategies. She noted that she had given copies of their strategy to Mr. Pumariega last week. The tool kit has all the presentations that were given at the summit. The economist at our summit described the housing shortage as a market failure; the market is not providing the housing required by the people living in the community because they are out by forces of effective demand. In that sense, that disparity is getting larger and larger. We have local governments which in their goals and policies encourage infill housing, but in their land development regulations they discourage it. And they may not even realize they are doing that. But when you come up and you start talking about lot sizes and you start wanting to build houses on narrow lots, it freaks out the neighbors and it freaks out the commissioners. The idea is to try to work through those issues and do everything the local government can do to increase the supply.

Ms. Caswell continued that the other thing they tried to do was to show the connection between the economy and housing. In her region there are businesses that are not coming because there is no housing. They don't to come and not be able to find employees. We are having a tremendously difficult time attracting teachers. Our utility company linemen are being recruited out; those people are hard to train and keep. So we are trying to connect it to the whole economic development side of it and show that when we don't have the housing it hurts us economically.

Mr. Wynne noted that is a nice segue to support your regional planning council's employer-assisted housing for next year. Preliminarily, Mike Davis has said that he supports it. We had the Legislature's support; we didn't have the governor's office support. That legislation would create a housing expert in all the regional planning councils who could do more than just work with the employers. When an employer comes into Westshore Hillsborough, his employees may want to live in Pasco, Pinellas, or Manatee so we really need to have a better regional delivery system.

Reverend Golden asked what we can do to facilitate the transition from this market driven atrocity that we are involved in now to one that will be effective?

Ms. Caswell said as far as the DRI methodology goes, what you can do is stress the value of calculating demand, adding in the residential component of demand, expressing your dissatisfaction with the supply calculation and talking about the fact that there is no supply. So we should look at demand and try to work with the developers to try to figure out how to meet that demand. Also, talking with Tracey Suber at DCA and getting involved in that process because that is going to be coming up in the next several months and she thinks we do have strong competing forces about what to do with that methodology. As far as what else can be done, she is going to Orange County which is the largest county in our region, as Assistant Planning Manager and she will be focusing on housing. One of the things she has discovered with Orange is that they have a situation common among local governments – they have a housing program section, which administers the SHIP funds, the HOME funds, etc. Then they have a comprehensive planning division; no one there knows about housing. So when it comes time to update their comprehensive plan they call to the housing program section and say, "It's time to update the housing element," and they say, "What housing element?" There is a disconnect between planning and housing at the local level. What she is hoping to do is bridge that disconnect. The planning function is "How do we get the market to function more effectively? What does the community need in terms of housing?"

Reverend Golden said he didn't want to give up on the notion that just because it is hard to get to the job there is sufficient justification for moving the house to the job as opposed to being a little more creative and getting people involved.

Mr. Hoyt said he remembers when the Tradewinds on the beach was running buses from Hillsborough County to pick up their employees. Distance need not be a factor if you have an employer who actually wants to have employees rather than employers who are coping out by blaming something other than themselves.

Ms. Caswell noted that this is good timing because employers are starting to find more and more that it is in their best interests to figure out something.

Ms. Collins said the Tampa Bay Partnership and some of the other economic development groups are really looking at that as something they have to take seriously because that is impacting companies relocating to the area.

Mr. Hoyt said what Commissioner Kynes was talking about was that when local government or the state constructs an arterial because of the pressures of traffic, etc., to do it so that it actually already has bus bays and BRT type traffic signaling and other aspects built into it, even if the local transit agency isn't yet running buses down that route. Make it capable of handling that

when they do it.

Ms. Collins said she thought it was very interesting that she said you don't just slap on something like inclusionary zoning and call it a day. Every issue and every situation is different. Why don't we look at the four things she just mentioned as possible things to recommend.

Reverend Golden said he would like to share these recommendations with other interested parties as soon as possible.

Mr. Kersteen moved that the committee adopt Ms. Caswell's recommendations. Reverend Golden seconded the motion.

Ms. Caswell's recommendations are:

- 1) Concentrate on estimating demand for housing based on DRIs projected employment.
- 2) In addition to estimating demand for worker housing jobs created in the non-residential portion of a DRI, estimate employment impact and resulting demand for worker housing created by proposed residential units.
- 3) Drop supply side calculations (too difficult to calculate). Just acknowledge that there is an affordable housing deficit.
- 4) Include monitoring provisions for multiple phases and long single phases (referred to as manual phasing in the ECFRPC DRI Housing Methodology).

Reverend Golden noted that the most obvious issue is that the supply side calculation stands in the way of the real problem, and that is that all over the state we don't have a supply.

The motion passed.

Ms. Collins said she thinks what we have here is very interesting and she wishes the presentation had been to the entire Council. If there is a way to do an abbreviated version, we have this come up every time we have a DRI. We are not familiar with the methodology. It is a shame we didn't have more people here to hear this.

Mr. Hoyt said today we have confirmed our suspicion that there is a problem with the methodology. But there are reasonable avenues available.

Ms. Caswell said she could come back to talk to the whole Council.

Mr. Wynne said that one of the points brought back up was that sometimes the phases are long and should we be required to monitor the affordable housing. In other words, in this case it would be in the form of a re-analysis. He would say to make a recommendation that they can't get more than 7 to 10 years of approval. Usually we require them to come back in phase 2 and 3. But what we are seeing now is a long phase one. If they want to get specific approval for greater than 7 years, they must come back and re-analyze in year 7.

Ms. Caswell noted there is specific language in the methodology now that allows for manual phasing. We have either picked a point in time or, if they are coming back to do traffic analysis, then we tie it to that.

Reverend Golden said he thought it would be good if Ms. Caswell came back to make a

presentation to the Council. He would like to bring it up in August.

Mr. Wynne said the Council will be briefed in August and we will continue the dialogue specifically regarding getting the recommendations to the powers that be in Tallahassee. There is no real specific timeframe on this.

**Agenda Item #5 - Adjourn**

Meeting adjourned at 2:15 p.m.

Respectfully submitted,

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Sue Young, Recording Secretary

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Commissioner Deborah Kynes, Chair