



Alachua County Living Spaces and Thriving Places Program

Potential Uses of the Wild Spaces and Public Places Surtax for Housing

Ralston Reodica, Housing and Strategic Development Director
Community Support Services

May 6, 2025

HSD MISSION

- Create, Preserve, and Retain affordable housing and workforce housing
- **Wild Space Public Places Surtax Revenue for Housing-Projected over 10 Years- \$54 Million**
- Increase housing stock units with the surtax revenue
 - Partner with developers by offering gap financing
 - Community Land Trust (using the Shared Equity Model where county retains ownership of land)
 - Single Family Home Ownership
 - Multifamily Rental Development (Shimberg Gap Analysis)

HOUSING UPDATES

- **Affordable Housing Cohort selected by Florida Housing Coalition**
- **Alachua County Living Spaces and Thriving Places Program**
 - Application sent to 113 developers including local chamber of commerce, Growth Management developer listserv.
- Received 3 applications which are currently under review.
 - Banyan Development: proposal for senior housing complex; new construction of five story building comprising 88-114 units for seniors; serving households at 60% AMI, with 15% of units designated for households at 30% AMI. Funding Request: \$6,556,780. **New units; not workforce housing**
 - Newstar Development and Gainesville Housing Authority: proposal for rehabilitation of Oak Park public housing development servicing seniors and disabled; 110 existing units; servicing households up to 60% AMI. Funding Request: \$3, 900,000. **No new units, only rehab**

HOUSING UPDATES

- JE Properties: proposal for Oakview Apartments Phase II LLC, senior housing and workforce housing; new construction (82 units) and rehabilitation (80 units); 119 units up to 50% AMI, 43 units up to 60% to 80% AMI; Funding Request: \$3,180,000 (affordable housing-land purchase); \$6,471,664 (economic development). **12 new workforce housing units balance of new units are for seniors**

Application Review Process

- Approve conceptual pre- application
- Submit application summary to Affordable Housing Advisory Committee for preapproval
- Process review of entire application conducted by staff
- Bring to BoCC for final approve
- Move to contract phase
- **Conveyance of County Owned Properties**
 - One property conveyed to heir.
 - One property in the process of conveyance
 - Three properties of interest by citizens
 - AHAC has preapproved 2 properties for conveyance to Hutchinson Foundation (non-profit)

HOUSING UPDATES

- **Conveyance of County Owned Properties**

- Process under review to include County Attorney Office, Growth Management, Code Enforcement, Zoning, Tax Collector

- **HFA Multifamily Mortgage Revenue Bonds**

- Harbor Cove deal closed as of March 2025, rehabilitation of 100 units

- Woodland Park Phase II approved by BoCC on April 22, 2025; process still underway; new construction of 144 units. Expected to be completed June 2026.

- **Permanent Supportive/Rapid Rehousing**

- Florida Commerce approved request to apply for 6-month extension thru March 2026 for Budget Inn

HOUSING UPDATES

- **Permanent Supportive/Rapid Rehousing**

- Scottish Inn renovation contract approved by BoCC on 3/11/25
- Budget Inn renovation contract approved by BoCC on 3//2025

- **Legacy Project**

- Procurement Phase: Non-Mandatory Pre-Bid Meeting held on January 15, 2025
- Four bids were received. Evaluation meeting to be held on April 28, 2025.

- **Community Block Development Grant FY 25**

- Application submitted for rehabilitation- \$750,000
- Received notice of grant approval
- Awaiting next step in grant award from Florida Commerce

HOUSING UPDATES

- **Community Block Development Grant FY 26**
 - Seeking to apply for new round of fund
 - First Public Hearing held on 4/8/2025
 - Second Public Hearing to be held on 5/13/2025
 - Application due 5/16/2025

DEFINITIONS

Affordable housing is generally defined as housing that costs a household no more than 30% of their gross income, including utilities. This definition, used by the U.S. Department of Housing and Urban Development (HUD), is a key benchmark for determining if housing is affordable for a household.

- **30% Threshold:**
- The **30% of gross** income rule is the most commonly cited benchmark for affordability. This means that housing costs, including rent, mortgage payments (if applicable), and utilities, should not exceed 30% of a household's total income.
- **Income-Based:**
- Affordability is determined relative to a household's income, not just the price of the housing unit itself. This means that a house or apartment that is considered affordable for one household may be unaffordable for another with a different income level.
- **Utilities Included:**
- The definition of affordable housing typically includes the cost of utilities, such as electricity, gas, and water, in the total housing expenses.

AFFORDABLE HOUSING

- **Beyond the 30%:**
- While 30% is the general guideline, some households may spend more than that on housing and still be considered in need of affordable housing assistance.
- **Various Forms of Affordable Housing:**
- Affordable housing can take many forms, including public housing, subsidized housing, Naturally Occurring Affordable Housing *(NOAH), and workforce housing.
- In essence, affordable housing is housing that is within the reach of households at or below a certain income level, typically defined as those who spend no more than 30% of their income on housing costs, including utilities.
- * Naturally Occurring Affordable Housing (NOAH) refers to privately owned rental properties that are affordable, but not through government subsidies or programs like the Low Income Housing Tax Credit (LIHTC). These properties are typically older and may be less expensive due to their age, location, or other market factors.

DEFINITIONS

Workforce housing is affordable housing designed for middle-income workers and their families, typically those earning between 60% and 120% of the area median income (AMI). It aims to bridge the gap between subsidized affordable housing and market-rate housing, providing quality housing for essential workers like teachers, nurses, and police officers.

- **Income Limits:**
- Workforce housing targets households earning between **60% and 120%** of the area median income, making it more affordable than market-rate housing but not as heavily subsidized as traditional affordable housing.
- **Targeted Occupations:**
- Often, workforce housing is specifically intended for essential workers in sectors like education, healthcare, and public safety, ensuring they can live within their communities.
- **Location:**
- Workforce housing projects are frequently located near employment centers, reducing commute times and costs for residents.
- **Housing Costs**
- Housing costs in workforce housing are typically affordable, meaning residents spend no more than 30% of their income on housing-related expenses, says the U.S. Department of Housing and Urban Development (HUD).

WORKFORCE HOUSING

- **Public-Private Partnerships:**

- Collaborations between local governments, developers, and non-profit organizations to create workforce housing.

- **Inclusionary Zoning:**

- Zoning regulations that require developers to include a certain percentage of affordable units, including workforce housing, in new developments.

- **Tax Incentives:**

- Government-provided incentivize developers to build workforce housing.

- **Local Initiatives:**

- Community-based programs that provide financial assistance or other support for workforce housing projects.

Importance of Workforce Housing:

- **Economic Stability:**

- Ensuring that essential workers can afford to live near their jobs helps to maintain the stability of local economies.

Infrastructure Sales Tax Use for Housing

1. Land acquisition for affordable housing (Sec. 212.055(2)(d)1.e., Fla. Stat.)

Section 212.055(2)(d)1.e., Fla. Stat., allows for the purchase of *land* for residential housing projects in which at least 30% of the units are affordable to households whose income do not exceed 120% of the area median income. This land must be owned by a local government or a special district (if the special district enters into an agreement with the local government to provide the housing). The government owner of the land may enter a ground lease with public or private persons/entities for the construction of residential housing projects (for nominal or “other” consideration).

Alachua County Ordinance 2022-08 directed the 2022 referendum for the current surtax (2022 Surtax) and includes the allowable uses of the funds, if approved by the electors. Section 4 (Use of Surtax Proceeds) (b)iii., tracks the statutory requirements for residential housing projects, under section 212.055(2)(d)1.e.: purchase of land, projects with at least 30% affordable units, owned by government, and the option of nominal ground lease for construction. The referendum ballot language states that the surtax could be used to “acquire lands for affordable housing.” **The maximum amount that can be allocated for this use is 50% of the surtax proceeds. By direction of the Board, only 30% of the maximum 50% of the surtax could be used for this purpose (in other words, 15% of the total surtax).**

In the absence of other guidance regarding what “land” is, in this context, the best advice is that section 212.055(2)(d)1.e. funds may only be used for the value of land (value or real estate minus value of improvements and fixtures)

Infrastructure Sales Tax Use for Housing

1. Land acquisition for affordable housing (Sec. 212.055(2)(d)1.e., Fla. Stat.)

“Lands” is not defined in Chapter 212, Fla. Stat., but the term “Real property” is defined as: “surface land, improvements thereto, and fixtures...,” section 212.02(h), Fla. Stat. This definition seems to indicate that surface land (as opposed to submerged land or improved land) is a subset of real property and is exclusive of improvements and fixtures. Several hypothetical “land” purchases have been presented to this office, including vacant land, land with buildings needing to be demolished, land with buildings that have value, and buildings with value but very low land value. Additionally, the question of use of these section 212.055(2)(d)1.e. funds to cover just the land value of a real estate purchase (with some other funds covering the improvements and fixtures) has been presented to this office. In the absence of other guidance regarding what “land” is, in this context, the best advice is that section 212.055(2)(d)1.e. funds may only be used for the value of land (value or real estate minus value of improvements and fixtures).

For many projects, however, this distinction between land and improvements/fixtures (as well as the requirement for government ownership) may not need to be made, because these projects may also qualify for expenditures under section 212.055(2)(d)3., Fla. Stat., as explained below.

Infrastructure Sales Tax Use for Housing

2. Economic development projects (Sec. 212.055(2)(d)3., Fla. Stat.)

Section 212.055(2)(d)3., Fla. Stat., allows for up to 15% of the surtax proceeds to be used for funding “economic development projects having a general public purpose of improving local economies, including the funding of operational costs and incentives related to economic development.” Chapter 212, Fla. Stat., does not define “economic development projects,” “improving local economies,” or “incentives.”

Without a definition for “economic development” in Chapter 212, the closest statutory analogue is in section 125.045, Fla. Stat., which addresses County economic development powers. Among the codified legislative findings of this section are the purposes of economic development, the most clearly relevant one of which is “to enhance and preserve purchasing power and employment opportunities for the residents of this state.” The statute declares that it is a public purpose to expend public funds for economic development activities including, but not limited to, developing or improving local infrastructure, issuing bonds to finance or refinance the cost of capital projects for industrial or manufacturing plants, leasing or conveying real property, and making grants to private enterprises for the expansion of businesses in the community or the attraction of new businesses to the community. This illustrative list is not a complete list of County powers, nor is that list limiting. The statute says that the scope of the county economic development powers includes “any powers not specifically prohibited by law” and that those powers should be liberally construed (i.e., broadly interpreted) to carry out the purposes of economic development.

Infrastructure Sales Tax Use for Housing

Alachua County Ordinance 2022-08 tracks the permitted uses of section 212.055(2)(d)3., Fla. Stat. A number of the Board's findings in Ordinance 2022-08, which are incorporated into the ordinance as legislative findings, explain that the creation of workforce housing will have a general public purpose of improving the local economy because:

- Insufficient affordable housing limits Florida's economic potential;
- Alachua County has insufficient affordable housing;
- Insufficient housing contributes to increased rental rates;
- Construction and rehabilitation of workforce housing has a stimulative effect on the local economy; and
- Workforce housing can reduce housing costs to affordable levels, thus creating more room in the family budget for local purchases.

According sections 212.055 and 125.045, Fla. Stat., with Ordinance 2022-08, this Office's legal opinion is that 15% of the total surtax can be spent on workforce housing "economic development projects," which could be any project that enhances and preserves the purchasing power and employment opportunities for residents of Alachua County. Projects funded under section 212.055(2)d.3, Fla. Stat., for economic development have fewer limitations on them than "affordable housing" projects under section 212.055(2)(d)1.e, which, as previously addressed, are limited to the purchase of land, ownership by a local government or a special district.

Infrastructure Sales Tax Use for Housing

While government-owned land for workforce housing could be an economic development project under section 212.055(2)d.3, these surtax funds can also be used for a broader scope of projects, such as to purchase improved property and provide grants to developers to incentivize the development of workforce housing or payments to developers to offset the costs of inclusionary zoning requirements adopted under section 125.01055, Fla. Stat.

The primary limitation for these section 212.055(2)(d)3, Fla. Stat., funds (which does not apply to the land acquisition expenditures under section 212.055(2)(d)1.e.) is that the expenditures must be for workforce housing, as opposed to other “affordable housing” uses (such as housing for elderly or disabled). In its Housing Plan, the County has defined “workforce housing” as 30-80% average median income. Ultimately, each project under this section must be viewed through the lens of whether it creates economic development, under the expansive powers in section 125.045, Fla. Stat.

Shimberg Findings

*While a lack of affordable housing is a national problem, Alachua County is particularly impacted due to its status as a college town. Students make up approximately 12% of the renter pool. Some students need affordable rental units, causing competition between local residents and incoming students. **According to the Shimberg Center at University of Florida, even excluding students, 60 percent of renter households in the county--over 24,000 households in all--pay more than 30 percent of their income for housing.***

The National Income Housing Coalition has calculated that the “housing wage” for Alachua County (the amount required to afford a two-bedroom apartment) is \$26.87 per hour, well above the median county wage of \$22.18 per hour. Additionally, the cost of utilities in Alachua County exceeds that of the state and nation, further burdening low-income tenants.

- Prospective homeowners also face affordability challenges. The median single family home price increased by 46% in the last five years, reaching \$329,000 in the first half of 2024. Rising home insurance costs throughout Florida pose a problem for both new and continuing homeowners.*