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Editorial: Affordable housing

Things can be done to make area more liveable

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Today, the Daily News wraps up a year-long look at the affordable housing crisis in Southwest Florida.

More than 100 pages and thousands of hours have been used to detail the problem and explore solutions.

There are encouraging signs of progress.

Public-private partnerships have sprung up in both Collier and Lee counties promising to build homes that can be purchased by police officers, firefighters, teachers, nurses and other critical members of a community.

Our elected representatives - most notably State Rep.

Mike Davis (R-Naples) - have vowed that affordable housing will continue to be issue No. 1 in Tallahassee.

In recent weeks, the League of Women Voters of Collier County has decided to tackle the crisis. The 180-member group plans to discuss potential solutions then arrive at an opinion as to what Collier County government should do.

The 180-member league is beholden to no special interest and should be able to make clear, valuable, objective recommendations.

Though there was documented progress in 2006, much needs to be accomplished in 2007 to make a real difference.

Here's a short list for both local and state government:

1. Pursue land trusts.

Unlike density bonuses, impact fee waivers and other programs favored by those in the building industry, a land trust program would not only reduce the price of a new home, it would help keep a home affordable.

The idea is simple. Land is donated or purchased, then placed in a long-term public trust - say 99 years.

Private builders would then be hired to construct homes, which would be sold at cost plus an acceptable return on investment. The land beneath the structure would not be part of the sale. The public trust keeps the land out of the speculative market.

Home buyers would pay less than market rate and still see an appreciation over time as the value of the structure, minus land, increases.

This is related to the way the successful Habitat for Humanity program works. It needs to be extended to higher income brackets.

2. Seek out and attract “socially responsible” investment groups.

These groups serve investors who want a fair return on their dollar, but also want to improve society as a whole.

The Wall Street Journal has reported that such groups are exploring investments in real estate, specifically affordable housing.

The state can play a role in this. In fact, Gov.-elect Charlie Crist and fellow cabinet members need to explore how Florida’s \$100 billion pension fund can become an investor in such “socially responsible” endeavors.

The pension fund is for the benefit of state employees, including teachers, law officers and other public service professionals - the very people who are being hurt by the affordable housing crisis.

This has the potential of being win-win. The state gets a safe, fair return on money held for the retirement of state employees while helping to build homes that state employees can afford.

3. Launch a legislative initiative to ease the tax burden on rental property.

Skyrocketing land values have resulted in giant property tax increases for owners of rental property. This results in escalating rents, solely to pay taxes to local government. It also has resulted in affordable rental units being converted to unaffordable - at least to the previous tenants - condominium units.

The state needs to find a way to keep property taxes low for rental property owners, who in turn must keep rental rates capped.

4. Encourage private employers to be creative and experiment with housing inducements.

This is already being done in the health care industry.

To combat a shortage of nurses, NCH Healthcare Systems has instituted a renter’s assistance program. New critical-care nurses are eligible for a \$300-a-month rent stipend for up to three years if they commit to stay with the hospital system. NCH, which has budgeted \$300,000, believes as many as 100 new employees will take advantage of the stipend in 2007.

NCH is also experimenting with loans to first-time homebuyers. One program offers small “down payment” loans, which are forgiven after two or three years service.

Another program offers interest-free, seven-year loans of up to \$20,000 for first time homebuyers.

Competition and the need for qualified workers spawned these programs, but our elected representatives need to find ways to reward employers who offer such assistance program. Tax breaks should be on the table.

Much has been accomplished in 2006, but far more needs to be done.

A new year awaits.

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