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Combining Incentives to Deliver Housing for Public-Sector Workers

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Florida's Live Local Act, which was adopted in 2023, has already garnered significant attention. The Live Local Act is an ambitious piece of legislation intended to facilitate and incentivize the development of new housing for working families. The Act focuses on what is often referred to as the "missing middle" – households that earn between 80% and 120% of area median incomes, which is at once too high to qualify for traditional subsidized public housing and often too low to afford market-rate housing in many Florida communities. Recently, the Florida Policy Institute [published a report](#) explaining that many of Florida's public-sector workers, including teachers, firefighters, police officers, and paramedics, earn less than 80% of area median income in certain communities and therefore are not directly benefited by the Live Local Act.

I very [recently wrote](#) about the impact of housing affordability on public-sector workers, and the resulting risk that local governments will be unable to hire and retain qualified workers. In that blog post, I explained that local governments are beginning to leverage their own surplus real estate as a means to facilitate the development of public housing. Although a government cannot dictate by regulation that the private sector provide a certain product (such as housing for public-sector workers), when the government acts as a market participant instead of as a regulator, it may exercise significant control over how its own property is utilized. The government may, for example, choose to convey its property for less than the land's unrestricted market value in exchange for the buyer's commitment to use the property to deliver housing units at below-market rents to the government's employees.

To be sure, there is a limit to what can be accomplished through a discounted sale price (or ground rent) for public land. Even if the land is provided to the developer for free, construction costs and other market forces will limit the discounts the developer is able to provide to its tenants. Much as the Florida Policy Institute noted that the Live Local Act is not a panacea with respect to the housing needs of public-sector workers, the leveraging of publicly owned land is also not a panacea. Both can help address the problem, but they can't alone solve it.

Importantly, however, these solutions can be combined. A local government could offer a developer land at a discounted price to develop lower-cost housing and the developer could avail itself of the Live Local Act's tax and zoning incentives. These strategies are not mutually exclusive, and between the two, the benefits are compounding. Of course, the combination of the two strategies is itself not a cure-all to Florida's housing affordability woes, and in some cases, other strategies will also need to be utilized. The housing affordability crisis cannot be solved by any one piece of legislation or any one procurement strategy, but any strategy or legislation that moves the needle in the right direction (i.e., reduces the cost of housing) can be part of the solution.

Related People



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