



## **Pinellas County Community Development, Clearwater Florida**

The Pinellas County Department of Community Development promotes the production of energy efficient affordable housing through its Model Homes program, where participating builders and non-profits construct and certify new homes to Energy Star.

Model Homes is an incentive program that offers builders zero interest construction loans and access to low cost infill land in exchange for a commitment to meet certain quality standards and to offer homes at affordable prices to eligible buyers.

Homes must be offered for less than \$190,000 to buyers making less than 80% of area median income.

### **Energy Efficiency**

Energy Star certification is a key requirement of the Program. All builders must agree to meet minimum Energy Star guidelines and the County requires a copy of the Energy Star Award certificate for completion of the loan contract.

The Model Homes definition of affordability does not only apply to sales price. By implementing the Energy Star standards, Pinellas County is able to ensure that its low-income buyers will have lower energy bills and higher quality homes.

The utility costs for a Model Homes Program house is estimated at \$60-\$100 per month, around half of the County average.

### **Implementation**

Participating builders design and build homes to achieve the Energy Star certification. The local utility, Progress Energy, provides no cost inspections and testing and reimburses builders for certification costs. Homes certified before July 2006 were constructed with 13-SEER heat pumps; R-30 attic batt insulation and interior R-5 foam board affixed to concrete block walls; partially enclosed untinted single-pane aluminum windows; and detailed air sealing at windows & doors, plates, and penetrations.

Homes certified to the current Energy Star criteria are constructed with 14-SEER heat pumps, In meeting the requirements for Energy Star certification the following are mandated in all Model Homes Program houses:

- ☆ 14-SEER heat pump systems
- ☆ Energy Star dishwashers and more efficient water heaters
- ☆ Enclosed windows with shutters and porches
- ☆ R-30 attic batt insulation and interior R-5 foam board affixed to concrete block walls
- ☆ Compact fluorescent lighting

Costs to meet the new Energy Star criteria are about \$400 for upgraded heat pumps and water heaters, \$1,500 for more fully shading windows, and about \$100 in lighting upgrades.

## **Financing**

The Pinellas County Model Homes Program is funded through the State Housing Incentives Program (SHIP). SHIP provides funds directly to local governments to increase affordable housing opportunities in their communities.

Pinellas provides construction financing for houses built with income and cost restrictions in certain geographic areas covered by his program. Homes must be 3-BR, 2-bath and have 2-car garages with a target cost of under \$190,000. Buyers must have incomes less than 80% of area median income or 120% in target development areas. A typical home is 1,200 to 1,400 square feet. Construction loans are offered for up to 80% of the anticipated selling price. Home buyers are supported by non-profits offering down payment assistance and home buyer classes. Pinellas has also pre-approved lenders under the program.

Upon project completion and buyer occupancy, the builder also receives a refund for County transportation impact and water/sewer connection fees.

## **Affordability**

Pinellas County offers qualified low-income buyers down payment assistance in the form of low-interest loans. These loans are used to bring buyer's monthly payments down to 32% of their total

income. The loan amount cannot exceed 25% of the purchase price or \$20,000, whichever value is lower.



The County has an income table that sets upper limits for qualified households. This limit assures that the houses are purchased by low-to-moderate income buyers. Most homes are sold to families that make 80% or less of the area median.

For a typical 1,200 square foot home, one builder estimates average utility costs are about \$80 per month.

## **Community**

Maintaining the character and the quality of the local community is an important part of the Model Homes Program.

A key component of builder approval is that proposed designs and plans are consistent with neighborhood improvement objectives. Homes built under the program must contribute to upgrading the neighborhood and must not conflict with stated design or style preferences of the community.

The program works by creating public private partnerships to make land available and to identify participating

builders and non-profit developers. Builders participating directly must be pre-approved based on their track records and ability to construct homes to program requirements. Non-profit developers can apply and do the building in-house or can partner with turnkey builders. As with approved builders, the non-profits must establish a track record of performance.

To effectively participate, builders must have good credentials and product and demonstrate a proven history of effectively marketing their housing product to eligible homebuyers.

### **The Bottom Line**

Thus far the Model Homes Program has overseen the construction of 48 Energy Star Certified homes since 2002. Pinellas County and assists construction of 24-30 homes annually.

With material and land prices rising over the past few years, affordable entry homes have risen from around \$80,000 to more than \$170,000. Pinellas has implemented a strategy that both lowers operating costs using Energy Star and reduces home price. to ensure housing affordability.

*For more information*

[www.pinellascounty.org](http://www.pinellascounty.org)  
[www.energystar.gov](http://www.energystar.gov)