



# **Inclusionary Housing Study Follow-Up Topics and Focus Areas for Next Steps**

**Board of County Commissioners Special Meeting**

**March 5, 2024**

# Purpose of Presentation

- Additional information and research on Inclusionary Housing in response to BoCC questions from September 19, 2023 meeting (Florida Housing Coalition Staff)
- Focus areas for next steps on Inclusionary Housing (Alachua County staff)
- Seeking BoCC direction on focus areas for potential changes to Comprehensive Plan, ULDC, or other ordinances

# Background

- September 19, 2023 - Presentation from Florida Housing Coalition (FHC) staff on Inclusionary Housing Study reports.
- Study analyzed affordable housing needs, feasibility of implementing Inclusionary Housing in Alachua County, and provided recommendations on potential policy options for the County to pursue.
- BoCC expressed interest in follow up on several voluntary Inclusionary Housing options as well as potential mandatory Inclusionary Housing requirement for Urban Cluster expansions and "upzonings".

# What is Inclusionary Housing?

- Land use policy intended to increase private development of affordable housing and promote more even geographic distribution of affordable housing.
- Requires or incentivizes housing developers to include affordable housing units as part of new residential developments.
- Inclusionary requirements are typically a percentage of the total number of units in a development that must be affordable to certain income levels.
- Local governments must provide incentives to offset the financial impact to the housing developer, per Florida Statutes.

# Statutory Requirements for Inclusionary Housing

- House Bill 7103, signed into law in 2019, revised Sec. 125.01055, Florida Statutes (“Affordable Housing”) to provide the following:
- **Inclusionary housing ordinance may *require developer to:***
  - Provide a specified number or percentage of affordable units within a development, OR
  - Contribute to a housing fund or alternative in lieu of building the affordable housing units
- **In exchange, a *County must:***
  - Provide incentives to fully offset all costs to developer of its affordable housing contribution
- **Incentives typically include:**
  - Density or intensity bonuses
  - Reducing or waiving application fees or reduced process requirements

# Affordable Housing Need in Alachua County

*From Florida Housing Coalition Inclusionary Housing Study Report #1*

- Home prices increased twice as fast as area median income from 2016 to 2021
- "Dramatic" need for rental housing supply in unincorporated area, with particular need for rental units at or below 60% AMI
- For homeownership, the greatest need is at or below 80% AMI
- Predominant housing types do not align with household needs
  - Abundant supply of single-family 3+ bedroom homes
  - Lack of supply for single-person and smaller households

# **Additional information and Research on Inclusionary Housing in Response to Board Questions from September 19, 2023 Meeting**

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# Focus Areas for Next Steps on Inclusionary Housing

Alachua County Staff





# Focus Areas for Next Steps

1. Inclusionary requirement for Urban Cluster expansions and “upzonings”
2. TND/TOD optional exchange of required non-residential floor area for provision of affordable housing units
3. Consider expanding policies to include “Low” and/or “Moderate” as target income levels for Inclusionary Housing policies
4. Live Local Act land use regulatory requirements
5. Impact/MMTM fee assistance as incentive for providing affordable housing

# Focus Area #1

Inclusionary Requirement for Urban Cluster Expansions and “Upzonings”

# Inclusionary Housing Requirement for Urban Cluster Expansions and "Upzoning"

- Comprehensive Plan policy provides methodology and criteria for considering expansions of the Urban Cluster (7.1.3 Future Land Use Element)
- Affordable housing is identified as a factor when considering potential Urban Cluster expansions, but no specific requirement is provided.
- Proposals to expand the Urban Cluster boundary would likely be accompanied by a future land use map amendment and rezoning application.
- Applications to expand the Urban Cluster and applications to "upzone" for higher density have been rare.
- Need to define "upzoning" scenarios.

# Inclusionary Housing Requirement for Urban Cluster Expansions and "Upzoning"

## Potential scenarios where inclusionary housing requirement could be applied:

1. Amendment to the Comprehensive Plan to expand the Urban Cluster and subsequently designate the expansion area for urban residential or mixed-use development.
2. Amendment to Comprehensive Plan to change future land use map designation to allow for an increase in residential development density on a property.
3. Zoning change from one zoning district to another that allows for an increase in residential development density on a property.

# Inclusionary Housing Requirement for Urban Cluster Expansions and "Upzoning"

- Inclusionary requirement could be applied to the residential unit *increase*
- Increase in residential units would serve as the required incentive to offset the costs to the developer per Statute

## Example Scenario:

### Proposed Future Land Use Map Amendment for 20-acre site

Current Designation: Residential Low (4 units per acre max.) = 80 units max.

Proposed Designation: Residential Medium (8 units per acre max.) = 160 units max.

**Proposed increase: 80-units**

Affordable requirement as applied to hypothetical 80-unit increase:

- 10% = 8 affordable units required
- 20% = 16 affordable units required

# Inclusionary Housing Requirement for Urban Cluster Expansions and "Upzoning"

- Legal instrument needed to implement the requirement
  - Generalized Agreement at Comp Plan or rezoning stage
  - Detailed Agreement at Development Plan stage to determine specific income level eligibility, sale or rental prices for units, location of units within development, and any allowance for fee or lots in lieu of providing units.
- Requirement could potentially discourage some "upzoning" applications for higher density within the Urban Cluster
- **Need Board direction on:**
  - **Percentage of unit increase required to be affordable**
  - **Affordability level (% AMI)**
  - **Affordability Term**

## Focus Area #2

TND/TOD Voluntary Exchange of Required Non-Residential Floor Area for Provision of Affordable Housing Units

# TND/TOD Exchange of Required Non-Residential Floor Area for Provision of Affordable Housing Units

- TOD and TND are mixed use, interconnected, multimodal-oriented development types that are permitted in Urban Residential areas.
- Mix of both residential and non-residential uses is required
- *Required* form of development under the following conditions:
  - 150 or more units on land contiguous to a designated Rapid Transit or Express Transit Corridor, or
  - 300 or more units on land not contiguous to a designated Rapid Transit or Express Transit Corridor
  - TND and TOD also permitted within designated Activity Centers



# TND/TOD Exchange of Required Non-Residential Floor Area for Provision of Affordable Housing Units

- **For TND**, policy requires 10,000 sf non-residential base, plus minimum 50 square feet and maximum 250 square feet per residential unit
- **Potential Change:** Allow reduction of required non-residential floor area by 1,000 square feet per affordable residential unit provided

## Example: TND with 200 residential units

- Required non-residential use = 20,000 sf (minimum) to 60,000 sf (maximum)

## With potential change:

- 20 affordable units provided (10%) would reduce non-residential minimum requirement to zero
- 10 affordable units provided (5%) would reduce non-residential minimum requirement to 10,000 sf
- Affordable units could be exempt from counting toward density limitation
- Consider whether amount of exchange should be limited

# TND/TOD Exchange of Required Non-Residential Floor Area for Provision of Affordable Housing Units

- **For TOD**, policy requires 10,000 sf non-residential base, plus minimum 100 square feet and maximum 500 square feet per residential unit
- **Potential Change:** Allow reduction of the required non-residential floor area by 1,000 sf per affordable residential unit provided

## Example: TOD with 800 residential units

- Required non-residential use = 90,000 sf (minimum) to 410,000 sf (maximum)

## With potential change:

- 80 affordable units provided (10%) would reduce non-residential minimum requirement to 10,000 sf
- 40 affordable units provided (5%) would reduce non-residential minimum requirement to 50,000 sf
- Affordable units could be exempt from counting toward density limitation
- Limitation on amount of exchange should be considered to ensure adequate mix of uses is maintained

# TND/TOD Exchange of Required Non-Residential Floor Area for Provision of Affordable Housing Units

- Legal instrument needed to implement requirement
- Would add new component to development plan review process, requiring staff resources
- Need ongoing tracking and monitoring to ensure units remain affordable
- **Need Board direction on:**
  - **Affordability Level (% AMI)**
  - **Affordability Term (# of years the units would need to remain affordable)**

## Focus Area #3

Consider expanding policies to include “Low” and/or “Moderate” as target income levels for Inclusionary Housing policies

# Consider Inclusion of “Low” and/or “Moderate” Among Target Income Levels for Inclusionary Housing Policies

## Comprehensive Plan Housing Element Policies

**Policy 1.2.8** Establish *regulatory incentives for the development and redevelopment of housing units affordable to very low and extremely low-income households*. The new units are to be located within proximity to major employment centers, high performing public schools and public transit.

**Policy 2.2.7** Alachua County may consider *regulatory and financial incentives* (e.g., building permit fee reduction) *for the redevelopment and rehabilitation of housing units affordable to very low and extremely low-income households*.

# Consider Inclusion of “Low” and/or “Moderate” Among Target Income Levels for Inclusionary Housing Policies

**Affordable Housing:** Affordable means that monthly rent or monthly mortgage payments including insurance and property taxes generally do not exceed 30 percent of that amount which represents the percentage of the median adjusted gross income for households qualifying under the definitions for low-income, moderate-income and very low-income.

Extremely Low:	Household AMI $\leq$ 30% of household median AMI for area
Very Low:	Household AMI $\leq$ 50% of household median AMI for area
Low:	Household AMI $\leq$ 80% of household median AMI for area
Moderate:	Household AMI $\leq$ 120% of household median AMI for area

*Definitions from Alachua County Comprehensive Plan*

*AMI = Area Median Income*

# Consider Inclusion of “Low” and/or “Moderate” Among Target Income Levels for Inclusionary Housing Policies

Florida Housing Income Limits, 2023					
Geography	AMI Category	1 Person Limit (\$)	2 Person Limit (\$)	3 Person Limit (\$)	4 Person Limit (\$)
Alachua	30%	18210	20820	23430	26010
Alachua	50%	30350	34700	39050	43350
Alachua	60%	36420	41640	46860	52020
Alachua	80%	48560	55520	62480	69360
Alachua	120%	72840	83280	93720	104040

**Sources:** Florida Housing Finance Corporation, 2023 Combined Income and Rent Limits by County

## Income and Rent Limits, Unincorporated Alachua County

Florida Housing Rent Limits, 2023						
Geography	AMI Category	0 Bedroom Limit (\$)	1 Bedroom Limit (\$)	2 Bedroom Limit (\$)	3 Bedroom Limit (\$)	4 Bedroom Limit (\$)
Alachua	30%	455	487	585	676	754
Alachua	50%	758	813	976	1127	1257
Alachua	60%	910	975	1171	1353	1509
Alachua	80%	1214	1301	1562	1804	2012
Alachua	120%	1821	1951	2343	2706	3018

**Sources:** Florida Housing Finance Corporation, 2023 Combined Income and Rent Limits by County

- Extremely Low: < 30%
- Very Low: < 50%
- Low: < 80%
- Moderate: < 120%

*AMI = Area Median Income*

# Consider Inclusion of “Low” and/or “Moderate” Among Target Income Levels for Inclusionary Housing Policies

## Affordable Housing Need in Alachua County

*From Inclusionary Housing Study Report #1*

- Dramatic need for rental housing supply in unincorporated area, with particular need for rental units at or below 60% AMI
- For homeownership, the greatest need is at or below 80% AMI

Extremely Low: < 30%  
Very Low: < 50%  
Low: < 80%  
Moderate: < 120%

*AMI = Area Median Income*



## Focus Area #4

Live Local Act Land Use Regulatory Requirements

# Live Local Act Land Use Regulatory Requirements

- Imposes certain new land use requirements on local governments to help promote affordable housing development.
- A County **may approve** affordable housing development, including but not limited to mixed-use development, on any land zoned for commercial or industrial use, if at least 10% of the housing units in the project are affordable.
- A County **must authorize** multifamily and mixed-use residential as allowable uses in any area zoned for commercial, industrial, or mixed use if at least 40 percent of the residential units in a multifamily rental development are affordable as defined in s. 420.0004, F.S. for at least 30 years.
  - For mixed-use residential projects, at least 65 percent of the total square footage must be used for residential purposes.

# Live Local Act Land Use Regulatory Requirements

- Allows density at the highest allowed on any unincorporated land where residential uses are allowed
  - *Currently 24 units/acre*
- Allows highest building height currently allowed for commercial or residential development in the County's jurisdiction within 1 mile, or 3 stories – whichever is higher.
  - *Highest currently allowed in any residential or commercial zoning district is 65 feet (maximum of 8 stories are allowed within a TOD)*
- County must consider reducing parking requirements

# Live Local Act Land Use Regulatory Requirements

- A County *may not require* a proposed multifamily development meeting LLA requirements to obtain a **zoning or land use change, special exception, conditional use approval, variance, or comprehensive plan amendment** for the building height, zoning, and densities authorized under this subsection.
- Proposed developments meeting LLA requirements *must be administratively approved* and no further action by the Board of County Commissioners is required if the development satisfies the County's land development regulations for multifamily developments in areas zoned for such use and is otherwise consistent with the comprehensive plan

## Focus Area #5

Impact/MMTM Fee Assistance as Incentive for Providing Affordable Housing

# Impact/MMTM Fee Assistance for Affordable Housing

- County formerly had an Impact Fee Relief Program for affordable housing
- Eligibility household incomes <100% AMI
- Targeted single-family residential units
- Maximum sale price same as that allowed under County SHIP Program
- Payment for impact fees was funded through County general revenue funds
- Available on first come first serve basis annually until funding ran out
- Program eliminated in 2019

# Impact/MMTM Fee Assistance for Affordable Housing

## Types of Fee Assistance

- Fee Waiver – Reduction or complete exemption of fees for affordable housing
- Fee Modification – Structuring fee based on square footage or unit type to encourage smaller units or multi-family units
- Fee Deferral – Payment is postponed until units are sold, occupied, or some other pre-determined point
- Alternative Sources of Payment – Other revenue sources such as general revenue or SHIP are used to pay the fee

# Impact/MMTM Fee Assistance for Affordable Housing

## **Considerations for Structure and Applicability for Fee Assistance**

- Income Eligibility Levels (by Statute, may be 120% AMI or less)
- Term of Affordability – Typically 7 to 15 years
- Housing Types – Could be for multi-family, "missing middle", or other housing types that are a priority to the County
- Location – e.g., specific census geographies based on need, or areas near employment centers
- Nonprofit Organizations or Units Receiving Another Housing Subsidy



# Impact/MMTM Fee Assistance for Affordable Housing

## **Considerations for Structure and Applicability for Fee Assistance**

- Resale Procedures
- Enforcement and Default
- Annual Dollar Cap for Impact Fee Waiver
- Monitoring and Program Administration

# Next Steps

1. Stakeholder engagement on those focus areas for which the BoCC directs staff to proceed
2. Return to BoCC for authorization to advertise public hearings on draft Comprehensive Plan Amendments, ULDC changes, and other necessary ordinance changes

# Questions and Board Discussion