



## Report 3: Inclusionary Housing in Alachua County

### Final Recommendations and Requested Research Topics

This third and final report of the feasibility study for inclusionary housing in Alachua County summarizes the work of the Florida Housing Coalition (Coalition) to date with final recommendations and addresses requested areas of research by Alachua County. The final recommendations reflect the main takeaways from Reports 1 and 2 and are based on the feedback provided by the Alachua County Board of County Commissioners at a public meeting on September 19, 2023.

The following areas of research were requested by Alachua County in this final report:

- Analysis of the County’s definition of “affordable” and possibilities for amendment
- Best practices and examples on fee waivers for affordable housing
- Targeted areas to zone for multifamily residential development, including “missing middle” housing
- Evaluate the concept of removing non-residential requirement for TOD and TND developments in exchange for providing affordable housing
- Recommendations for a streamlined public hearing process for affordable housing developments
- Coordinating county and municipal governments on affordable housing policy

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## Summary of Work Done to Date

### Background

The Florida Housing Coalition was contracted by Alachua County to assist County staff with policy recommendations to include in an inclusionary housing ordinance to increase the supply of affordable housing in the County. This Report is the final of three reports containing housing needs data, mapping, policy options, recommendations, and other information to help the County shape its affordable housing policies. This portion of the Report provides key takeaways of the Coalition’s work to date and final recommendations on moving forward with an inclusionary housing policy in Alachua County.

The terms “inclusionary housing ordinance,” “inclusionary housing policy,” “inclusionary zoning,” “IZ”, and “IHO” all refer to a set of policies aimed at requiring or encouraging the development of deed-restricted, below-market rate homes. In general, there are two types of inclusionary housing policies: 1) mandatory; and 2) voluntary. Mandatory IHO policies *require* certain market-rate developers to include below-market rate units within a market-rate development while voluntary IHO policies *encourage* the private sector to provide affordable units in exchange for regulatory and/or financial incentives.

On the mandatory IHO front, it is extremely rare for a mandatory IHO to apply to all new developments in a jurisdiction. Typically, there will be a unit threshold that triggers the affordable housing requirement.



For example, a mandatory IHO could mandate affordable units only for developments of 50 units or more or another threshold determined by the local government. The local government must also determine the number or percentage of units that must be affordable within the market rate development. An example of a mandatory IHO would be: “All developments of 50 or more units must set-aside at least 10% of units as affordable housing to households earning at or below 120% of the Area Median Income.” Report 2 provides more background information on mandatory IHO.

On the voluntary IHO side, a typical voluntary IHO policy includes an incentive structure, a unit threshold, a determination of the number or percentage of affordable units needed to receive the incentives, and program compliance methods; voluntary IHO are often very similar in structure except that they encourage, rather than require, the production of deed-restricted, affordable units. For a voluntary IHO program to be effective, the incentives must be structured in a way to give the private sector something they want or need but do not already have. In other words, the local government must identify “carrots” they can offer (zoning flexibility, fee waivers, expedited permitting, financial subsidy, etc.) in exchange for provision of affordable units. Report 2 also provides more background information on voluntary IHO.

Florida law has expressly authorized local governments to adopt mandatory inclusionary housing ordinances since 2001 in sections 125.01055 and 166.04151 of the Florida Statutes for counties and municipalities, respectively. However, due to a legislative amendment in 2019, if a local government implements a mandatory IHO program, ss. 125.01055(4) and 166.04151(4) of the Florida Statutes require it to provide incentives to “**fully offset all costs** to the developer of its affordable housing contribution.” This “fully offset all costs” language requires local governments to keep developers economically whole in exchange for providing mandated affordable units.

For example, if there is a 100-unit development, and the local government requires that 10% of the development be set aside for affordable housing through a mandatory IHO, this statute requires that the local government “fully offset all costs” associated with the 10 required affordable units by providing regulatory and/or financial incentives. Factors such as the amount and affordability levels of the required affordable units affect the associated costs and thus the incentives needed to offset those costs. Note that since the law is relatively new, there is no case law to provide further clarity on how local governments are to comply with these requirements.

The overarching goal of the Coalition’s work was to explore the feasibility of a mandatory inclusionary housing ordinance in Alachua County after considering current and future development patterns, housing needs data, the value of certain incentives such as density bonuses, and the statutory requirement to “fully offset all costs” associated with a mandatory IHO policy. After reviewing the relevant data, the Coalition concluded that a blanket mandatory IHO policy in the County may be difficult from a statutory compliance standpoint given the limited desire for density bonuses and upzonings. As a result, the County should evaluate alternative strategies and incentives to increase the number of affordable housing units.



## Key Takeaways from Reports 1 and 2

**Report 1** framed the need and context for an inclusionary housing program in Alachua County utilizing recently completed studies and planning documents, county permit data, Census data, data compiled by the Shimberg Center for Housing Studies, and other readily available sources to identify key data points on local affordable housing needs. The primary questions underlying that report were:

- 1) Which households, based on income, are in most need of affordable housing in Alachua County? Who should an inclusionary housing ordinance primarily assist?
- 2) What is the state of the current housing market and how well does it serve households most in need? What types and prices of housing are being built and is the market meeting existing and future needs for affordable housing? Where in Alachua County would an inclusionary housing ordinance be most impactful based on development trends?

To address these questions, the first report started by examining demographic and socioeconomic trends in Alachua County, paying special attention to household composition and economic metrics. It then provided an in-depth analysis of the housing inventory and market trends before concluding with information on average median income thresholds, wages of top occupations, and the affordability gap for the county's very low and extremely low-income population. Report 1 provided eight key takeaways with justification after addressing the questions above:

1. Home prices are increasing twice as fast as median incomes in Alachua County.
2. There is a dramatic need for more rental housing in the unincorporated County.
3. Homeownership is quickly becoming unaffordable for households earning up to 120% AMI.
4. The greatest need for housing assistance is at 80% AMI and below, with a particular need for rental units at 60% AMI and below.
5. Over the past nine years in the unincorporated county, housing production has fallen slightly behind population growth, indicating a minor deficit. If the county's population continues to grow along the trajectory established since COVID-19, or if the current housing production fails to keep pace, this could exert pressure on housing demand, potentially driving up overall prices.
6. Predominant housing types may not align with household needs.
7. Income segregation may result in limited access to opportunities for lower income households.
8. There are several census tracts in the unincorporated County, a set with moderately higher prevalence of rental housing and a set with very low rates of rental housing, that may be high impact areas for an inclusionary housing ordinance.

**Report 2** analyzed potential outcomes from implementing an inclusionary program, as well as the feasibility of adopting an effective program in compliance with State law with a resulting menu of regulatory options for the County's consideration. This report first provided some background on mandatory and inclusionary housing programs, including parameters in Florida law for mandatory inclusionary programs. This overview was followed by general local considerations that may influence structuring and implementing an inclusionary program in the County. The following section evaluated prior development trends and development capacity currently or potentially available in the County that would provide a basis for development that might trigger an inclusionary requirement if adopted. This section also analyzed the County's options to offset costs via increased density allowances. Based on this



analysis, this report then provided scoring criteria to help locationally focus regulatory strategies and other resources the County has to offset costs of and/or incentivize inclusionary housing if it were to adopt a mandatory and/or voluntary program, as well as by-right regulatory and procedural adjustments the County can make to facilitate more housing options. The final section summarized these options.

Report 2 provided six main takeaways for the County regarding policy solutions it could consider. **Bolded items** are those that the Board of County Commissioners sought additional information from the Coalition at the September 19, 2023, Board of County Commissioners meeting.

1. Based on findings from Report 1, the County should consider housing needs at higher target income levels than those explicitly identified in the Comprehensive Plan, namely up to 80% Area Median Income (AMI) for rental and 120% AMI for homeownership strategies.
2. The County has remaining development capacity in its Urban Cluster area to which a mandatory requirement could apply. Yet, the main limiting factor of adopting mandatory IHO is likely the limited desire for density bonuses, which is a typical and robust incentive to adequately meet the cost-offset requirements of State law. As a result, the County should evaluate alternative strategies and incentives to increase affordable housing units.
3. While requests for entitlement increases are currently rare, the County can consider implementing mandatory IHO requirements for future entitlement increases via land use amendments, rezonings, and Urban Cluster expansions. Such requirements should apply to single-family and for-sale units.
4. The following are additional incentive opportunities for voluntary IHO/affordable housing development that can also be provided with mandatory IHO requirements:
  - a. Establish density bonus.
  - b. Provide funding and land with permanent affordability.
  - c. **Remove non-residential requirement for TNDs and TODs as an affordable housing incentive.**
  - d. **Streamline/frontload public hearing and workshop requirements for developments with 25 units or more**
  - e. **Establish standard development fee and transportation mitigation cost offsets for affordable housing developments.**
  - f. Consider additional incentives, including stormwater management support, facilitation of use of non-residential parcels for affordable housing, funding support, and site design flexibility.
5. The following are opportunities for by-right adjustments to facilitate market-rate housing since they are options that may not be easily quantified to offset costs, that would not unlock large amounts of units provided on-site in one development where an IHO requirement would likely apply, or that are best practice to comply with State law.
  - a. **Evaluate locations for implementation of a “missing middle” housing zoning district.**
  - b. Remove ownership and locational barriers to accessory dwelling units (ADUs); consider tiered size caps between urban and rural areas.
  - c. Additional opportunities for expedited review and more objective language for compatibility.



## Final Recommendations

As mentioned above, the Coalition’s overarching goal was to explore the feasibility of a mandatory inclusionary housing ordinance in Alachua County after considering current and future development patterns, housing needs data, the value of certain incentives such as density bonuses, and the statutory requirement to “fully offset all costs” associated with a mandatory IHO policy.

The crux of the issue is that allowing a market-rate developer to build more market-rate units than otherwise allowed under the existing land development regulations is the most impactful incentive a local government has in its toolkit to “fully offset all costs” pursuant to a mandatory inclusionary housing policy. However, based on the data the Coalition analyzed and interviews with the private sector, there appears to be a limited desire for density bonuses or re-zonings on properties for additional density. This lack of requests for more density poses a challenge to implementing an inclusionary housing ordinance in Alachua County and the fact that developers have not utilized existing incentives or requested land use changes is concerning for an IHO feasibility study.

Based on this finding and based on the robust conversation by the Alachua County Board of County Commissioners on September 19, 2023, the Coalition does not recommend the County adopt a blanket mandatory IHO policy county-wide. The County can, however, consider conditioning future major entitlement increases on the applicant providing deed-restricted affordable housing in return. The County can also consider a host of other policy levers to incentivize housing production such as greater allowances for multifamily development, impact fee waivers, expedited permitting, funding, and other strategies that are addressed in Report 2 and in this final report.

## Follow-up Research Topics

### 1. Alachua County’s Definition of “Affordable”

The Board of County Commissioners requested an analysis of the County’s current definition of “affordable” housing and if it can be improved to meet the needs of Alachua County. One Commissioner mentioned the possibility of including transportation costs in the definition of housing affordability. This section will analyze the relevant definitions of affordable housing in Alachua County and whether there are any adjustments that can be made that will improve local policymaking.

#### Relevant Definitions of “Affordable” Housing in Alachua County

- **Chapter 410, Article III of the County’s Land Development Code**
  - *“Affordable housing:* Affordable means that monthly rents or monthly mortgage payments including taxes and insurance do not exceed thirty (30) percent of that amount which represents the percentage of the median annual gross income for the households as indicated as low-income, moderate income, or very-low-income. However, it is not the intent to limit an individual household’s ability to devote more than thirty (30) percent of its income for housing, and housing for which a household devotes more than thirty (30) percent of its income shall be deemed affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the thirty (30) percent benchmark.”



- *“Affordable housing development: A development where at least fifty (50) percent of the units meet the definition for affordable housing for low-income households, or where at least twenty (20) percent of the units meet the definition for affordable housing for very low-income households. This definition includes developments funded with low-income housing tax credits allocated by the Florida Housing Finance Corporation.”*
- **Policy 1.2.8. of the County’s Housing Element**
  - Provides direction to “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.” Very low- and extremely low-income have the standard definitions of 50% and 30%, respectively, of median annual gross income for households adjusted for family size within the metropolitan statistical area.

## Analysis

1. **Chapter 410, Article III of the County’s Land Development Code**
  - a. Definition of “affordable housing”

The County’s definition of “affordable housing” strives to ensure that an income eligible household’s monthly rent or monthly mortgage payment, *including taxes and insurance*, do not exceed thirty percent of that household’s income category. This definition mirrors the definition that applies to the SHIP program found at s. 420.9071 of the Florida Statutes. This term is largely used in Alachua County’s Code for the administration of the SHIP program at Part II, Title 3, Chapter 39.5 and is also found regarding the Affordable Housing Trust Fund at Part I, Section 1.9.

One potential revision that the county could consider is adding “utilities” to the rent or mortgage calculation that defines housing affordability for non-SHIP programs. The County could consider following the definition at s. 420.0004 of the Florida Statutes which includes “utilities” in the affordability calculation.<sup>1</sup> If “utilities” are added, non-SHIP, County-assisted affordable housing developments would need to consider utility costs to be eligible for County assistance such as a density bonus, impact fee waiver, or other incentives.

If the County goes down this avenue, there are two important nuances to consider such as:

- What utilities should be included in the definition of “utilities”?
- How does the County or project owner calculate a household’s utilities?

The typical utilities included in an affordable rent calculation are electricity, gas, and water. The County could decide to include other utilities in their local policies such as sewer, trash collection, internet, and telephone. There will need to be a balance between the types of utilities that should be included in the overall affordable rent calculation and the feasibility of a project. If the County includes too few utilities,

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<sup>1</sup> The s. 420.0004 definition applies to all non-SHIP affordable housing programs administered by the Florida Housing Finance Corporation at the state level and several other affordable housing statutes that cite to this definition.





households may end up spending well over 30% of their income on housing costs. If the County includes too many utilities, that may lower the financial feasibility of a project.

There are several methods for how the County or project owner calculates the utility costs to base their affordability calculation. One method is for the County and property owner to agree upon a “utility allowance” that sets the standard amount to use as part of an affordability calculation based on average utility costs in Alachua County. The United States Department of Housing and Urban Development (HUD) has helpful guidance on various ways to calculate a utility allowance. Another method to calculate utility costs as part of the affordable rent calculation is by estimating the costs prior to initial lease-up and then adjusting at a lease renewal based on the average actual utility costs. The County or property owner could obtain all utility bills in the first year and establish an average to use for affordability calculations moving forward. If the County adds “utilities” to the definition of “affordable housing”, be aware that calculating utility costs can be a challenge and requires administrative capacity to calculate.

b. Including transportation costs in the affordability calculation?

Housing and transportation costs combined consume about half of the average household budget; transportation costs are generally the second highest expense a household makes in a given month. A County Commissioner asked if and how transportation costs could be included in the County’s affordable housing definition. Transportation costs can make up a large portion of a household’s income, especially if the household lives far away from their place of work. However, including transportation costs in the definition of “affordable housing” for publicly-assisted affordable housing programs is not a practice that is utilized. While it should be a goal of policymakers at all levels of government to lower both housing and transportation costs for residents, the administrative obstacles to including transportation costs in affordable housing assistance programs make it an extremely difficult policy proposition to combine the two.

A major barrier to including transportation costs in a housing affordability calculation for publicly-assisted housing is being able to adequately calculate those costs to provide predictability to an affordable housing developer to assess project feasibility. For example, if the County enacted a policy stating that households in County-assisted housing units should not spend more than 50% of their income on housing and transportation costs combined, and a household’s transportation costs increased year-over-year (a cost that is beyond the control of an affordable housing developer), that could force the project owner to lower the rents to meet the affordability criteria. Forcing a property owner to lower the rents in that scenario would harm the financial feasibility of that project and require affordable housing developers to take on an additional risk that is not considered in any other affordable housing assistance program – especially considering that affordable housing developers have little to no control over transit costs for the residents of the buildings.

Another barrier arises when considering *how* and *which* transportation costs are considered if added as part of the affordable housing calculation. When arriving at a transportation cost, does the housing program consider only rides to and from work? To and from the grocery store or school? Is the property owner supposed to include car rides a household makes out-of-state to visit relatives or take a vacation? Arriving at an agreed upon transportation allowance to determine affordable rents, similar to a utility allowance in a HUD program, is a novel idea for an affordable housing program.





Instead of incorporating transportation costs into an “affordable housing” calculation for the purposes of administering local affordable housing efforts, the County can utilize robust proximity scoring to ensure that publicly-assisted units are in areas close to major job centers, commercial centers, and other amenities to lower transportation costs. For example, if the County provides funding to acquire land for affordable housing purposes, the County can dictate the funds be utilized in places that facilitate lower transportation costs. Similarly, the County could target regulatory incentives and upzoning policies to areas with adequate access to jobs, grocery stores, and other amenities. Relatedly, the County can target transportation investments in areas with a high concentration of dense, multifamily housing stock.

A good metric to assess housing and transportation costs is the H + T Index (Housing + Transportation) crafted by the Center for Neighborhood Technology.<sup>2</sup> The H + T Index provides a comprehensive view of affordability that includes both housing and transportation costs at the neighborhood level. The Center for Neighborhood Technology sets the benchmark of the maximum percentage a household should pay towards housing and transportation costs at 45% of household income. This data source as well as other metrics in the public realm can be used to identify locations where housing and transportation investments should be targeted and provide a general overview of the affordability of a community. The H + T Index finds that the average household spends 58% of their income towards housing and transportation costs – well above the percentage considered affordable.

c. Definition of “affordable housing development”

Chapter 410, Article III of the Land Development Code defines “Affordable housing development” as “A development where at least fifty (50) percent of the units meet the definition for affordable housing for low-income households, or where at least twenty (20) percent of the units meet the definition for affordable housing for very low-income households. This definition includes developments funded with low-income housing tax credits allocated by the Florida Housing Finance Corporation.”

To achieve maximum flexibility in how this definition applies to various local affordable housing initiatives, the County could consider removing the specific percentage criteria in this core definition in the Land Development Code and regulate required set-asides through each individual housing initiative. For example, if the County were to establish an impact fee waiver program for affordable housing developments and wanted to target up to 100% AMI, the definition in Chapter 410, Article III of an “affordable housing development”, if cited to, could limit the types of developments that are eligible for the waiver. The County could consider removing the specific criteria in favor of a broader definition to give the County greater leeway to specially design various affordable housing incentives.

**2. Policy 1.2.8. of the County’s Housing Element**

This policy essentially directs the County to focus regulatory incentives on the development and redevelopment of affordable housing units to households at or below 50% of the Area Median Income. While the data is clear that households at or below 50% of the Area Median Income experience a high rate of housing insecurity, findings from Report 1 indicated that significant need for housing extends into higher income brackets as well. The report showed the greatest housing need is experienced by

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<sup>2</sup> <https://htaindex.cnt.org/>.



households at 80% AMI and below, with a particular need for rental units serving households at 60% AMI and below. Regarding homeownership opportunities, for-sale units are quickly becoming unaffordable at 120% AMI and below. Therefore, the County could consider amending this language in the Comprehensive Plan to target affordable housing policies to higher income levels.

### Recommendations

- The County could consider adding “utilities” to the definition of “affordable housing” at Chapter 410, Article III of the Land Development Code
- The County could consider amending the definition of “affordable housing development” to be more broad depending on the local incentive or housing initiative
- Proactively facilitate dense housing development near job centers and major transit corridors to lower transportation costs
- Amend Policy 1.2.8. of the County’s Housing Element to give the County discretion to provide regulatory incentives for the development or redevelopment of affordable housing to households up to 120% AMI

### 2. Fee Waivers or Modifications for Affordable Housing

Local government fees can be a costly barrier to newly constructed affordable housing. By modifying fee requirements for affordable housing, the overall cost of development can be reduced, and the savings can be passed on in the form of lower rents or lower sales prices. Reducing fees can lead to less need for public subsidy in a deal; if the overall development costs are lower by reducing fees, the less in SHIP, HOME, local funding, or other public sources will be needed to build the project.

Impact fees are the main type of fee that may be modified for affordable housing with the intent of reducing the cost of development. However, the modification and waiver of other local government fees could also be assessed. Those include fees pertaining to various application fees such as preliminary plan review and site plan review, rezonings, building permit fees, concurrency, platting and subdivision, and more.

The Florida Impact Fee Act at s. 163.31801 of the Florida Statutes authorizes local governments to “provide an exception or waiver for an impact fee for the development or construction of housing that is affordable, as defined in s. 420.9071.” If a local government does so, “it is not required to use any revenues to offset the impact.” Further, the Florida Impact Fee Act requires local governments to report each exception or waiver of impact fee for housing that is affordable to the state.

### Types of Fee Assistance

There are generally four types of fee relief for affordable housing: 1) waivers; 2) modifications; 3) deferrals; and 4) providing an alternative source of payment.

**Fee Waivers.** A fee waiver is a reduction or complete exemption of fees for an affordable housing development. A local government may decide to tier the amount of waiver based on the affordability provided. For example, the local government can reserve full fee waivers only for units that will be permanently affordable or for developments that set aside 100% of their units as affordable housing. The local government could then provide a partial waiver or reduction of fees for units that will be



affordable long-term (but not permanently) or for developments that devote a smaller percentage of its units as affordable.

**Fee Modifications.** A fee modification can refer to altering the process for how fees are assessed to begin with. An example of this is for a local government to modify their fee structure to charge fees based on square footage rather than unit type. Assessing fees on a square-footage basis can facilitate smaller-sized homes. Impact fees could be modified for affordable housing by restructuring the fee amount based on the type of unit. For example, a proposed housing development targeted to seniors might be eligible for a reduced impact fee for roads or school impact, along with other provisions such as reduced parking spaces.

**Fee Deferrals.** A fee deferral would postpone the payment of a fee until the units are occupied, sold, or at another pre-determined point. For example, a local government could defer the payment of a fee for a low-income homebuyer until that homebuyer sells the home.

**Alternative Sources of Payment.** Fee assistance programs can also focus on the use other sources of revenue to help pay for the fees. A local government may use SHIP, General Revenue, surpluses in their fee accounts, or other sources to help pay down the fees for an affordable housing development.

#### Structuring a Fee Relief Program for Affordable Housing

It is key that a fee relief program for affordable housing actually results in a lower purchase price or rent for the income-eligible household. Keep in mind that the overarching intent of providing fee relief is to lower cost barriers for the development of affordable housing in a community, and that the local government has discretion to structure fee relief according to what is a best fit. The local government can ensure this by monitoring affordability in the methods described in the following section.

Also of note, each local government may need to impose a cap on how much in impact fees can be waived in a given year for affordable housing. This is because although the Florida Impact Fee Act authorizes local governments to waive impact fees for affordable housing construction, the dual rational nexus test – the legal standard by which impact fees can be assessed – still applies. Some local governments may argue that if a local government gives away too many waivers of impact fees, they lose their rationale to have the fee in the first place. Since a fee waiver or reduction is going to be a finite resource, local government can target the limited resource towards priority policy goals. For example, a jurisdiction can prioritize relief for nonprofit housing organizations, developments receiving another affordable housing funding source, developments of a certain size, homeownership or rental housing, units that will be permanently affordable or affordable in the long term, or other priority. Consult with your local government attorney and the local nexus study on how best to structure a fee relief program for affordable housing.

Here are considerations for how to structure a fee relief program:

- **Income-Eligibility.** The local government will need to determine which incomes must be served through a fee relief program. Pursuant to the Florida Impact Fee Act, the maximum income levels that can be served through impact fee waivers are households at or below 120% AMI. A local government can target lower incomes through a fee relief program.



- **Term of affordability.** The jurisdiction will need to define how long the units assisted with a fee waiver must remain affordable. A balance will need to be struck between the amount of assistance provided and the length of affordability. An affordability period that is too long compared to the amount of assistance provided will deter interest in the program. Most fee waiver programs range from 7 to 15 years of affordability for that reason. Given the potential limitations to the term of years for a fee relief program on its own, it may best to reserve fee waivers for developers that are in the business of providing long-term affordable housing and would keep the units affordable regardless of a legal requirement to do so.
- **Required set-asides.** A fee relief program could provide assistance only to developments that have a set percentage or number of affordable units. For example, a local government can decide only to provide impact fee waivers for the affordable units within developments that set aside at least 25% of its total units as affordable. A jurisdiction could decide to only provide fee relief to developments that are 100% affordable.
- **Housing types & number of units.** The local government can dictate which types of developments are eligible for the fee assistance. For example, a local government can decide only to provide fee relief or make a priority for multi-family developments of a certain size, single-family homes, missing middle housing types, or other types of housing that are a priority for the jurisdiction.
- **Location.** A fee relief program can have locational criteria where only developments in certain targeted areas can receive assistance. For example, the jurisdiction can decide only to provide fee relief to developments built within 1 mile of a major job hub or other buffer.
- **Prioritizing nonprofit organizations.** A city or county can consider prioritizing nonprofit housing organizations that are in the business of providing affordable housing. Nonprofit organizations with a proven track record of producing affordable homes could greatly benefit from fee waivers and it would be a benefit to them to receive priority over for-profit entities.
- **Serving developments receiving another affordable housing subsidy.** Some local governments provide fee waivers only to developments that receive funding through the Florida Housing Finance Corporation (FHFC), a local Housing Finance Agency (HFA), SHIP, or other subsidy program. The County could decide to provide fee relief only to properties that are already receiving another form of public subsidy.
- **Demonstrated need.** The fee relief program can require applicants to show a demonstrated need for assistance to be eligible.
- **Compliance monitoring.** The local government will need to craft a compliance monitoring plan to ensure assisted units remain affordable.
- **Resale procedures.** For assisted ownership units, the jurisdiction should state what happens upon resale. Should the total amount of the fee waiver or reduction be made back? Or will the city or county allow the owner to sell the home to a subsequent income-eligible homebuyer at an affordable price?
- **Default & enforcement.** The city or county should clearly state what will happen if the property owner fails to keep the unit affordable for the affordability period. For ownership units, for example, if the owner sells the property on the open market before the end of the affordability



term in violation of terms of the agreement, the city or county should require the owner to repay the amount of assistance provided, at minimum.

### Preserving Affordability

Once the fee relief is provided, the jurisdiction will need to ensure that the assisted units remain affordable for the affordability period. Here are some considerations for monitoring assisted units:

- **How can the jurisdiction be sure the fee relief is resulting in a lower purchase or rental price?** The jurisdiction can establish policies that document the reduction in purchase price or rent that results from a fee relief program. For ownership, this can be done by including the fee waiver or reduction in the closing statement to show the reduction in sales price or closing costs. On the rental side, this can be done by requiring rental properties to show a demonstrated need for assistance prior to move-in and then requiring submittals of documentation to confirm rent amounts at determined intervals or on an as-needed basis.
- **Who is responsible for certifying income-eligible households?** The jurisdiction can determine whether it is local government staff or the property owner that will be responsible for certifying whether a household is income eligible. If the jurisdiction puts that responsibility onto the property owner, the city or county can establish oversight authority to ensure the property owner is complying with the affordability period. The local government could require annual reporting with specific items to include and conduct random spot-checks as necessary to ensure compliance.
- **How often will the responsible party re-certify households?** To address any staff capacity concerns regarding compliance monitoring, the jurisdiction can set its own policies as to how often it will audit records. The city or county can re-certify households each year, each time there is a new owner or renter of the assisted unit, or every three years – whichever policy meets the goals of ensuring long-term affordability while also appreciating staff capacity.
- **How in depth will the monitoring and oversight be?** The jurisdiction can set its monitoring policies to address potential administrative burdens that come with long-term oversight. The city or county could rely on self-certifications of income rather than require standard income verification processes and perform random spot-checks to lessen administrative burden while also providing enough teeth to ensure property owners comply.
- **What happens in the event of a resale?** Internal policies should address what happens in the event an assisted unit is sold or otherwise newly occupied. For rental, the next steps to follow in the event of a resale will depend on whether an assisted unit is subject to a recorded land use restriction agreement which specifies set-aside affordability requirements for units. In the ownership content, the jurisdiction will

Consult your legal team to draft a legal agreement that imposes land use restrictions on the assisted property for the affordability period. Basic elements of a land use restriction agreement include:

- A description of the affordable units with definitions
- Set-aside requirements (unit mix)
- Required length of affordability (affordability period)
- Households served



- Compliance monitoring (who is responsible for income certification, how often are re-certifications done, etc.)
- Notice provisions (in the event of sale, transfer, foreclosure, etc.)
- Right of first refusal
- Ensuring the agreement runs with the land to successive owners
- Defaults, remedies, and penalties for noncompliance (monetary fines, specific performance, probation, etc.)

**Manatee County**, through its Livable Manatee Incentive Program, uses a set Land Use Restriction Agreement (LURA) to ensure long-term affordability. The basic elements of the LURA include the term of affordability, ensuring the restriction applies to successive owners and runs with the land, enforcement, and penalties.

**Broward County** has a standard Declaration of Restrictive Covenants Agreement for its impact fee and/or administrative fee waiver program for affordable housing developments. The standard document provides checkboxes and blank spaces for key terms such as term of affordability, number of units, and legal description.

**Palm Beach County** has a 39-page policy on their impact fee waiver program which includes language to put the onus on household eligibility on the property owner. The County acts in an oversight capacity with the ability to review records provided by the property owner and seek enforcement if noncompliance is found.

#### Examples in Florida

**Hillsborough County.** Section 40-64 of the Hillsborough County Code creates the “Affordable housing relief program.” Applicants approved under the program are entitled to relief from impact fee assessments relating to impacts on park sites, road improvements, right-of-way, and fire rescue service. The County Commission is authorized to create a reimbursement policy for school impact fees.

To be eligible for impact fee relief, an applicant’s maximum family income cannot exceed 80% AMI, housing prices must meet Section 8 guidelines, and income verification is performed by the County. The types of housing eligible for relief include single-family homes that are site-built, manufactured, or mobile homes, and rental developments participating in other appropriate local, State, and/or federal low-income housing programs.

Eligible housing must meet locational criteria within the comprehensive plan under the affordable housing bonuses section, must be either within the Urban Services Area, or fully or partially developing on a site with in-place infrastructure. Farm-worker housing and affordable housing constructed within designated CDBG Target Neighborhoods are except from the locational criteria. The maximum amount of relief available annually for multifamily developments shall not exceed \$800,000. However, an eligible housing developer can petition the Board to waive fees in excess of the annual maximum if the Board finds that 1) sufficient funds are available to cover the additional relief; and 2) the granting of additional relief will serve a public purpose.



Fee waivers are available on a first-come, first-served basis. Developments that receive fee waivers will be subject to a legally binding restrictive covenant that provides that, for a period of seven years, any subsequent conveyance of the property which fails to qualify for relief shall nullify the impact fee waiver and the developer will be responsible for paying the full amount in waived fees. The impact fee waiver ordinance also provides standards for administration and review.

**Manatee County.** Manatee County's Livable Manatee Incentive Program provides a variety of incentives for affordable ownership and rental housing including the waiver of impact fees. Homeownership and rental developments are eligible if at least 25% of dwelling units are considered "affordable" per the definition at s. 420.9071 of the Florida Statutes. For the affordable units within eligible developments, the County will pay 100% of the following fees, assessed on the qualifying affordable housing units only: 1) county impact fees; 2) educational facilities impact fees; and 3) facility investment fees. In the case of school impact fees that are waived, the County shall pay directly to the Manatee County School District on behalf of the developer. The Manatee County Affordable Housing Subsidy Fund is the funding source used to pay for impact fees under this program. The affordability period can range from 10-30 years.

**Broward County.** Pursuant to Section 5-184 of its Land Development Code, various fees, including transportation concurrency fees, are waived for "very low income" and "low income" affordable housing projects. The affordability period is 20 years for rental housing and 10 years for owner-occupied housing.

**Orange County.** A deferral for the payment of impact fees is available to all single-family residences and duplexes until issuance of a Certificate of Occupancy. Multi-family developments that are certified as affordable may defer the payment of the impact fee until power is authorized for the first building or until the first Certificate of Occupancy is issued.

**Lee County.** The impact fee ordinance for Lee County contains a provision for the waiver of all impact fees, except school fees, within its three enterprise zones. Lee County also provides a School Impact Fee Rebate (SIFR) for certified affordable housing units. A nonprofit affordable housing developer can apply for the SIFR at the time of permitting. After the fee is paid and the home is completed, the lower-income purchaser of the home receives a 50% rebate that is paid directly to their first mortgage holder to reduce their principal. For-profit builders can also participate for a 25% rebate. The rebate program is funded by the interest that accrues on the impact fee account. Thus, the school board does not give up real income but part of the interest on the account. There is a \$200,000 cap on the program that is renewable.

**Polk County.** Any residential construction that qualifies as affordable housing can seek a full exemption of impact fees. Any person seeking the exemption shall file with the county manager an application with listed information under section 8.7-16 of the Polk County Code of Ordinances. Residential units must be occupied by low-income persons or very-low income persons and the application requires a copy of a recordable lien on the property that requires the payment of the waived impact fees in the event the development fails to provide affordable units. Units must be affordable for at least seven (7) years from the date of issuance of certificate of occupancy.

**Collier County.** Collier County has a long-standing impact fee deferral program. Using building permit fee revenues, the fee is paid on behalf of the affordable home at the time of permitting which is a loan that is to be repaid within ten years. There is an annual limit of 225 units for the deferral program.





**Orlando.** Orlando has a strategy in its Local Housing Assistance Plan (LHAP) to use SHIP funds to pay for impact fees. The City can provide up to \$5,082 per unit on impact fees for affordable ownership or rental housing with an affordability term of 15 years. The developer is required to pass 50% of the total amount of impact fee reimbursements on to the buyer by reducing the sales price or buyer’s closing costs. The LHAP also states that the impact fee strategy can be used as the local government contribution for developers applying for tax credits.

**Daytona Beach.** The city wholly or partially waives the following fees for affordable housing development: tree removal; building permit; electrical permit; plumbing permit; mechanical permit; subdivision review; concurrency review; and more.

### 3. Targeted Areas to Facilitate Multifamily Development, Including Missing Middle Housing

The Alachua County Commission provided direction for a preliminary analysis to help identify target areas where multifamily and missing middle type uses may be encouraged within the Urban Cluster. This section provides an approach to serve as a starting point to target increased allowances for multi-family development in the Urban Cluster (where urban services are provided) that can meet the need for rental units, along with opportunities to require set-asides for income-restricted units.

#### Methodology

In evaluating potential locations for increased housing density, the foremost criteria that arose from the literature and feedback from the County’s AHAC and County Commission was the need to ensure areas that received increased density allowances and additional units be located close to employment centers and commercial services. For this analysis, the primary data source utilized is a geospatial data layer received from the County GIS department last updated in February 2023. Additional data sources include the Florida Geospatial Open Data Library’s Generalized Land Use layer. To establish a commercial/employment boundary, the County’s parcels filtered to those with commercial zoning designation as indicated by the “ZoneDefin” attribute and were then overlaid with the FGDL data filtered for Retail/Office uses. These two layers were combined to be inclusive to all commercial uses and, by proxy, employment centers.

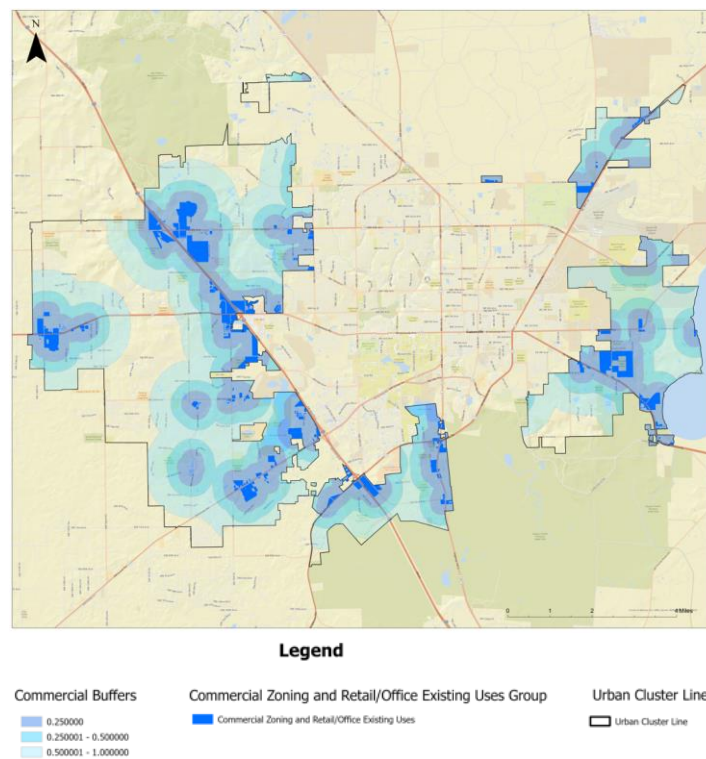
To validate this method, two additional approaches were assessed. The first alternative included searching for land owned by the top ten largest employers according to the Florida Commerce’s Employer Database and the second entailed reviewing a heat map of employment data from the Census Longitudinal Employer-Household Dynamics OnTheMap tool. The first alternative produced similar but more limited results, being that the top ten employers account for approximately a third of the workforce in Alachua County, there was considerable spatial coverage, but still not as well distributed as the commercial zones/uses method. The second alternative also provided ample overlap between with the commercial zones/uses, but OnTheMap data for privacy and confidentiality reasons do not provide exact locations in its data, so it was useful in comparing general validity but not as appropriate for providing fine points of reference for employment centers. Ultimately, our method was relied upon for the analysis due to the reliability and clarity of County’s parcel dataset, which not only represents employment centers today but also potential for new employment and community services in the future.



### Commercial/Employment Proximity Buffer Assessment

The analysis establishes three proximity levels at the quarter-mile, half-mile, and one-mile distances. The quarter-mile provides a representation of the pedestrian-shed, the distance at which a comfortable walk is possible and also serves an influential vision for designing neighborhoods and building complete communities<sup>3</sup>. The proximity at this range is considered to be ideal for denser multifamily types which would require a greater concentration of demands on neighborhood centers. The half-mile buffer is the distance someone can walk in 10 minutes at 3 miles per hour, a standard pace. Regarding density, this buffer area is envisaged to be ideal for a transition of types and densities, where more missing middle types rather than high density are compatible, demonstrating sensitivity to the existing built character, while still capitalizing on near-distance to commercial and existing multifamily uses. The one-mile buffer serves as a proxy for the outer band of what might be considered close proximity in an urban environment regarding neighborhood amenities, and where new residential development can be considered to be well served by current and future commercial services, which include shopping, jobs, and health and safety provisions. This distance also serves as a basis to determine whether or not an urban low-income area is a food desert<sup>4</sup>, indicating an industry standard for neighborhood servicing.

Map 1: Commercial Use Tiered Buffer Area

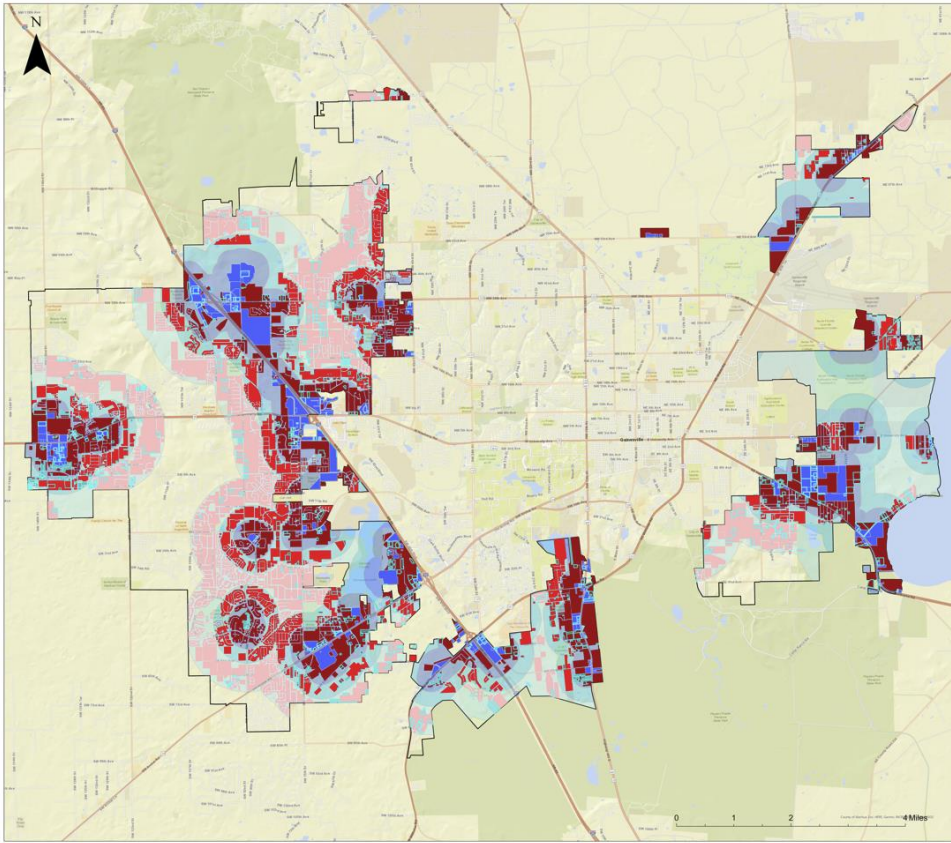


<sup>3</sup> <https://www.cnu.org/publicsquare/2017/02/07/great-idea-pedestrian-shed-and-5-minute-walk>

<sup>4</sup> <https://www.ers.usda.gov/data-products/food-access-research-atlas/documentation/>



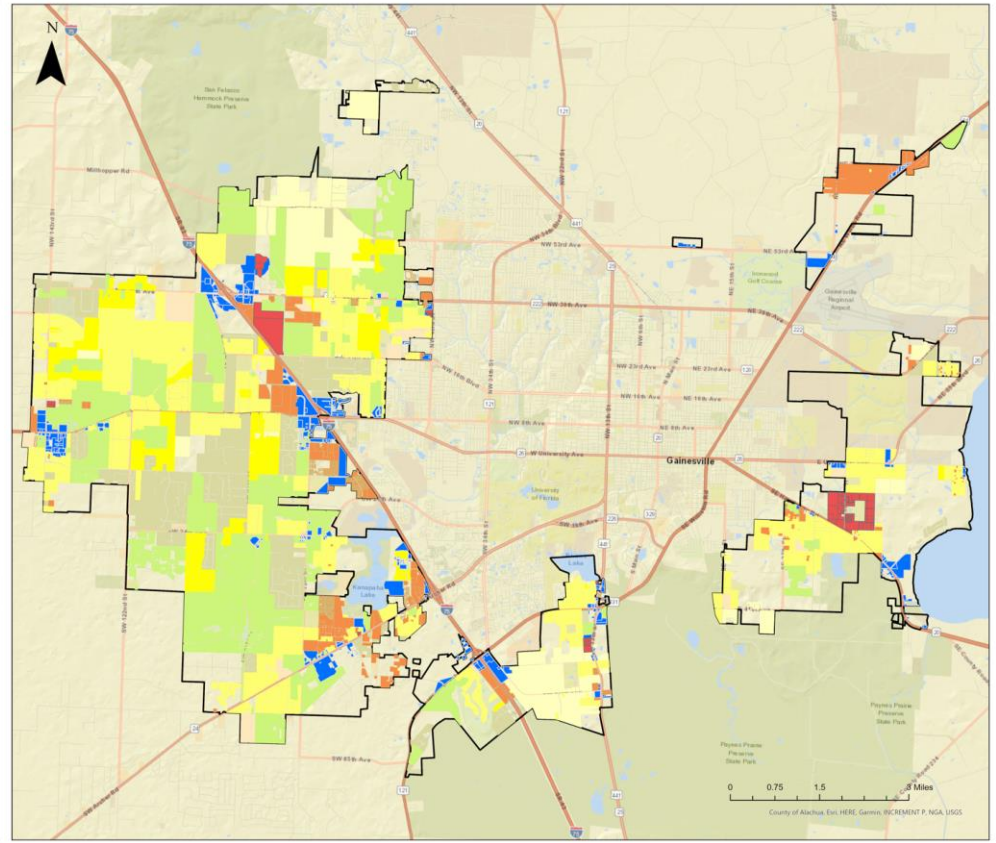
Map 2: Buffered Area and Tiered Parcels



**Legend**

- |   |                               |                                   |                           |
|---|-------------------------------|-----------------------------------|---------------------------|
| <b>Commercial Zoning and Uses</b>                 | <b>Commercial Buffer (mi)</b> | <b>Commercial Proximity Tiers</b> | <b>Urban Cluster Line</b> |
| Commercial Zoning and Retail/Office Existing Uses | 0.250000                      | 1                                 | Urban_Cluster             |
|   | 0.250001 - 0.500000           | 2                                 |                           |
|   | 0.500001 - 1.000000           | 3                                 |                           |

Map 3: Current Agricultural, Residential, and Mixed-Use Zones



**Legend**

- |  |   |   |                    |
|--|---|---|--------------------|
| <b>Multifamily and Mixed Use Parcels</b> | <b>Commercial Zones/Uses and Agricultural Zones</b> | <b>Single Family Zones</b>              | <b>Boundaries</b>  |
| Mixed Use Districts                      | Commercial Zoning and Retail/Office Existing Uses   | Planned Development (PD)                | Urban Cluster Line |
| Multiple-family districts                | Agricultural (A)                                    | Residential Single Family (R-1A)        |                    |
| Urban 7                                  |   | Residential Single Family (R-1AA)       |                    |
|  |   | Residential Single Family (R-1B)        |                    |
|  |   | Residential Single Family (R-1C)        |                    |
|  |   | Residential Single Family Estate (RE)   |                    |
|  |   | Residential Single Family Estate (RE-1) |                    |





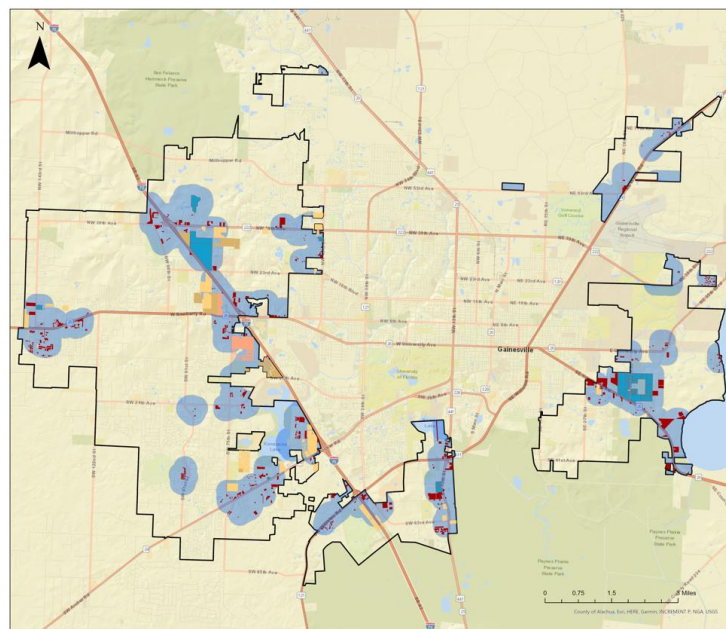
Within the proximity tiers depicted in Map 2, agricultural and single-family zoned parcels designated are identified to indicate those most compatible for potential allowance expansion. Multiple family zones (R-2, R-2A, and R-3) and other zone types are excluded from the buffer parcel analysis. Map 3 provides current agricultural and residential designations for comparison.

The outcome of the proximity analysis provides insights on three main strategies: providing for additional larger scale, high-density multi-family allowances; providing additional residential allowances on agricultural and estate residential land within the middle proximity tier; and more robust cottage neighborhood allowances to enable small-scale multi-family “missing middle housing” types.

### Additional Larger Scale, High-Density Multi-Family Allowances

The County can consider additional larger scale, high density multifamily allowance increases by right or with affordable housing set-asides. The quarter-mile buffer is an extent where additional larger scale high-density, multi-family allowances would be most appropriate. Currently, this area is where the abundance of the urban cluster’s existing multifamily units is currently located, but there is little land which is zoned for future multifamily density. The following map identifies existing multifamily zoned parcels and lands currently indicated as vacant residential, commercial, or industrial within the quarter-mile buffer area. These parcels indicated in red provide an estimate of existing land availability which may be affected if upzonings were to occur within these areas.

Map 4: Multifamily Zoned Parcels and Tier 1 Parcels



**Legend**

- |  |   |  |  |
|--|---|--|--|
| <p><b>Zoning Districts</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #f4a460; border: 1px solid black; margin-right: 5px;"></span> Residential Multi-Family (R-2)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #e69d00; border: 1px solid black; margin-right: 5px;"></span> Residential Multi-Family (R-2A)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #f4a460; border: 1px solid black; margin-right: 5px;"></span> Residential Multi-Family (R-3)</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #00a0e3; border: 1px solid black; margin-right: 5px;"></span> Mixed Use Zones and Activity Centers</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #92d050; border: 1px solid black; margin-right: 5px;"></span> Urban 7</li> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #0000ff; border: 1px solid black; margin-right: 5px;"></span> Commercial Zoning and Retail/Office Existing Uses</li> </ul> | <p><b>Parcels within Commercial Proximity Tier 1</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #ff0000; border: 1px solid black; margin-right: 5px;"></span> 1</li> </ul> | <p><b>Commercial Buffers</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 10px; height: 10px; background-color: #add8e6; border: 1px solid black; margin-right: 5px;"></span> 0.250000</li> </ul> | <p><b>Boundaries</b></p> <ul style="list-style-type: none"> <li><span style="display: inline-block; width: 10px; border-bottom: 1px solid black; margin-right: 5px;"></span> Urban Cluster Line</li> </ul> |
|--|---|--|--|



### Additional Residential Allowances on Agricultural and Estate Residential Land

Within the half-mile to 1-mile buffer the County could consider additional residential allowances on any rural/agricultural and estate lands, which may include affordable housing set-asides. This would also enable cottage neighborhood developments to occur, as cottage neighborhoods can currently be developed in urban residential land use areas. Based upon summarized parcel data, agricultural land makes up approximately 30% and 41% of total land within all buffered areas and the Urban Cluster Area, respectively. Residential Single-Family Estate makes up 22% and 24% of all land within buffered areas and the urban cluster line, respectively. In both the proximity buffers and the Urban Cluster at large these low density uses are most dominant comprising more than 50% of land. The table below further provides summary statistics of parcels within agricultural and single-family zoning districts by proximity tiers.

Zoning	Tier 1	Tier 2	Tier 3
Agricultural (A)	44.97%	11.57%	22.76%
Agriculture (A)	0.07%	0.00%	0.05%
Agriculture (AGR)	0.12%	0.00%	0.00%
Residential Single Family (R-1A)	27.31%	41.57%	28.28%
Residential Single Family (R-1AA)	2.91%	10.42%	15.34%
Residential Single Family (R-1B)	4.62%	4.66%	1.00%
Residential Single Family (R-1C)	5.93%	5.46%	2.32%
Residential Single Family Estate (RE)	6.28%	6.58%	7.51%
Residential Single Family Estate (RE-1)	7.52%	17.60%	20.97%
Single-Family Residential (RSF1)	0.07%	1.09%	0.10%
Single-Family Residential (RSF3)	0.00%	1.02%	1.67%
Single-Family Residential (RSF4)	0.20%	0.03%	0.00%
Total (acres)	4707.85	2212.44	4773.35

The distribution of agricultural and residentially zoned land by proximity tier gives further insight into the dormant development potential within the area is expected to be more urbanized. Although these zones are not immediately suitable for widespread rezoning, analyzing their distribution serves as an initial step in contemplating potential modifications.

### More Robust Cottage Neighborhood Allowances to Enable Small-Scale Multi-Family “Missing Middle Housing” Types

“Missing middle” housing types include small-scale multi-family residences, townhomes, and smaller cottage homes configured around a common space. They provide multiple units at a form and scale similar to typical detached single-family homes, which facilitates a greater supply of units with relative affordability due to their smaller unit size.

Enabling these housing types is distinct from simply zoning more land for larger scale multi-family zoning; creating a zoning district focused on these housing types is useful to be able to regulate the form and scale to no more than that comparable to a single-family detached home while still allowing multi-unit buildings, which generally requires higher density allowances.



Additionally, these housing types can provide a starting point to transition from more suburban areas to a more urban style of development with additional housing options and walkability. For example, the Congress for the New Urbanism has highlighted how cottages as part of a “cottage court” missing middle housing type have been used in Gainesville to provide an additional housing option within walking distance of a grocery store and coffee shop.<sup>5</sup>

In this vein, Alachua County took a constructive step in 2018 to further enable this type of housing by adopting Cottage Neighborhood regulations that allowed additional duplex and triplex housing types and additional density allowances by right. In March of 2023, the Board of County Commissioners scaled these allowances back due to neighborhood compatibility concerns. Amendments included, but were not limited to, allowing only detached units, increasing the minimum lot sizes to 2 acres from 1 acre unless otherwise approved by the Board via special exception, and requiring the development be on an un-platted lot unless otherwise approved by the Board via special exception.

The County can reinstate the original Cottage Neighborhood regulations in a more geographically focused way, such as enabling them near non-residential development that may provide job opportunities, as well as needed goods and services. For example, within the half-mile to 1-mile buffer, the County could allow a more robust cottage neighborhood district to permit missing middle housing types up to a triplex. One consideration for restoring the original CN regulations would include a review as to differences between the original and modified regulations, one of which being the minimum lot sizes. A review of parcels within proximity tiers 1-3 indicates that of parcels reviewed with a “Vacant Residential” property use description and an underlying agricultural or single-family zoning sized 2 acres and below make about half as many acres as parcels making up the 2 acre and above threshold (575.4 maximum).

Acreage Thresholds by Property Use Category	Count of Parcels	Sum of Acres
<b>0.0001-1.0001</b>	<b>7813</b>	<b>2748.24</b>
Agricultural	3	2.26
Residential	7174	2557.16
Vacant Residential	636	188.82
<b>1.0001-2.0001</b>	<b>1215</b>	<b>1501.28</b>
Agricultural	2	2.63
Residential	1115	1368.2
Vacant Residential	98	130.45
<b>&gt;2.0001</b>	<b>782</b>	<b>5044.12</b>
Agricultural	75	1717.39
Residential	575	2682.02
Vacant Residential	132	644.71
<b>Grand Total</b>	<b>9810</b>	<b>9293.64</b>

Given that Property Use Categories may not accurately represent which parcels are vacant to the current day, the above table may be considered rough estimates. However, in these estimates there is a key

<sup>5</sup> Robert Steuteville, “Building ‘missing middle,’ first step to suburban retrofit” *Public Square*, The Congress for the New Urbanism, November 29, 2022, <https://www.cnu.org/publicsquare/2022/11/29/building-missing-middle-suburban-retrofit>.



indication that parcels sized below one acre make up a large portion of vacant residential parcels, and the minimum lot size threshold may add a burdensome limit to which parcels can readily be developed under Cottage Neighborhood regulations.

#### Proximity buffers as a tool for community engagement

Adjustments to allowances and density can be a controversial topic within community planning, as seen with the recent need for the county to readjust implemented Cottage Neighborhood regulations. The above maps, rather than serving as the basis for immediate change, should be considered tools of communication that provide a foundation for the sensitive work of engaging the community around potential changes to the zoning code. Proximity buffers discussed can offer a common visual language for considering the future of urban design and residential development within a context that is predominantly low-density and agricultural uses and begin to demonstrate a vision which is beneficial for current and future property owners and community members alike.

#### 4. Removing Non-Residential Requirement for TNDs and TODs in Exchange for Affordable Housing

By reducing or removing the non-residential component requirement in transit-oriented developments (TODs) and traditional neighborhood developments (TNDs) in exchange for affordable units, the County can provide bonus density to these developments; in the case of a complete removal of these requirements, developers can get this bonus density without having to do a mixed-use project. As shown in Report 2, some of the recent TND developments had commercial square footage far below the maximum allowed.

Considerations for pursuing a non-residential requirement reduction or removal include ensuring that housing still has good access to non-residential uses that can serve daily needs and that the policy is structured to be favorable to both the community affordability goals and the developer project goals to promote this option's use and desired outcomes.

An initial consideration is ensuring access to non-residential uses. Map 5 shows the location of existing commercial land uses in the county, as well as lands zoned commercial that indicate the potential location of future commercial uses for land that does not already have commercial built on it. The map includes a half-mile buffer around these lands to illustrate a potential simplified measure of accessibility of surrounding land to these current and future commercial uses based on proximity and a typical walking distance. This measure can show where there may already be adequate access to commercial uses now or in the future and where additional commercial may still be needed through developments such as TNDs and TODs in the Urban Cluster area. This buffer technique could be further adjusted to account for additional factors, such as the estimated typical trade area radius of commercial establishments in the area. The County might consider a partial reduction of the non-residential component in exchange for affordable units for TODs and TNDs that are not already near existing or future commercial use, and a full reduction for developments that are.

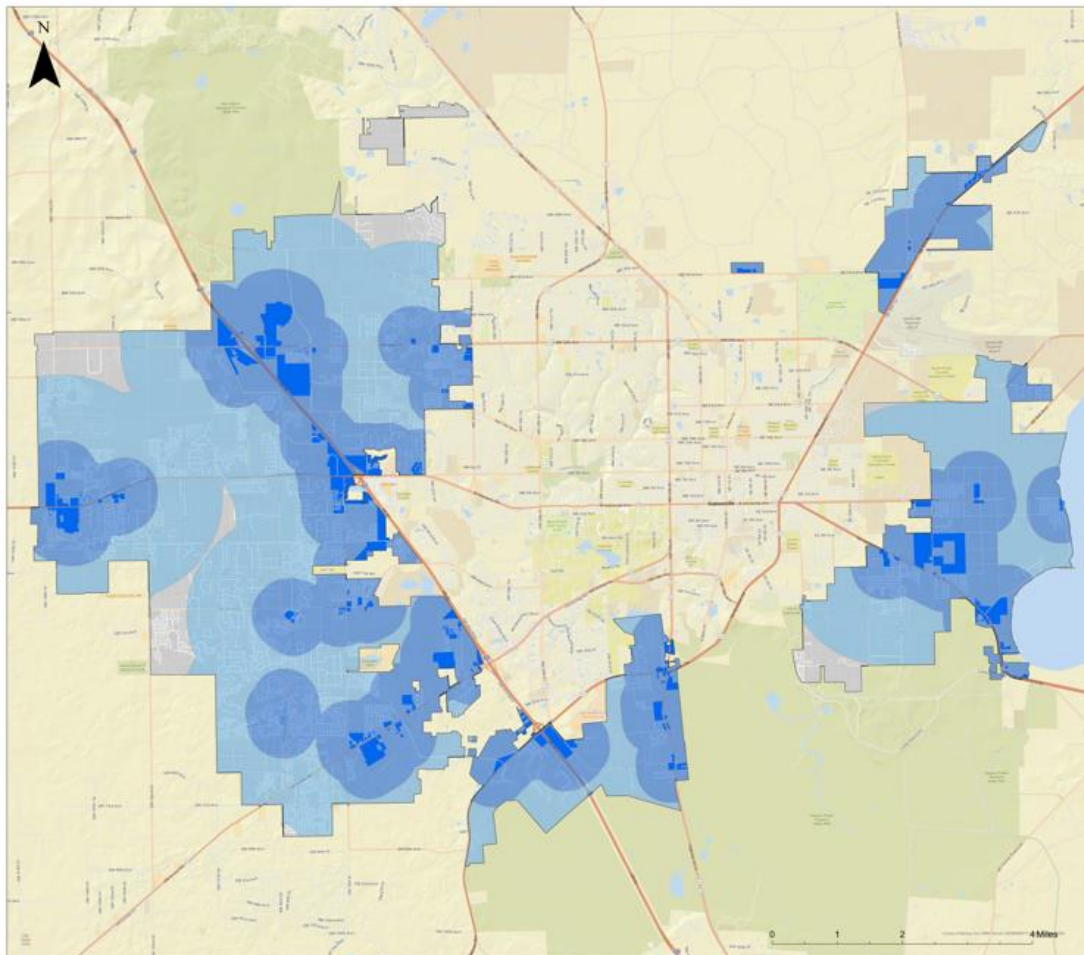
Additionally, a basic consideration regarding policy structure of a partial reduction or complete removal is the amount of reduction of non-residential relative to the affordable unit set-aside requirement in terms of amount and depth of affordability (or other contribution to affordable housing such as an in-









lieu fee). The structure could be a standard policy applied to projects or negotiated on a case-by-case basis.

Map 5: Land Near Existing and Future Commercial Uses in Alachua County



### Legend

-  0.500000
-  0.500001 - 1.500000
-  Commercial Zoning and Retail/Office Existing Uses
-  Urban Cluster Line



Completing market analyses and pro formas for likely development scenarios to show outcomes from different non-residential reductions/removal and affordable housing set-aside options can help inform these components with either a standard or case-by-case approach. Consultation with local homebuilder and other stakeholders upfront in the process can provide additional input on an effective policy and checks on the analysis supporting the policy. This type of analysis will put a finer point on more generalized information on viable commercial development as part of a larger mixed-use development and viable set-aside requirements for both mixed-use and all-residential projects. It accounts for development costs, including the requirement to restrict rents on certain units, and revenues anticipated from the development.

For example, current minimum non-residential square footage calculations for TNDs and TODs are based on a flat requirement of 10,000 square feet plus an additional increment of square footage for each dwelling unit in the development. The New Urbanism Best Practice Guide indicates that the 10,000-square-foot base requirement corresponds with the lower end of the range of square footage associated with a “convenience center” general commercial typology that offers various goods and services geared towards daily needs and typically anchored by a small specialty food market or pharmacy.<sup>6</sup> This type of commercial center typically needs about 2,000 households to support it and has an average trade area extending up to a 1.5-mile radius. The guide also identifies a smaller typology of “corner store” commercial that typically ranges from 1,500 to 3,000 square feet, serving daily food, bread, and various other staples; this type is typically supported by 1,000 adjacent households, which can be reduced if the store is along a major thoroughfare and/or sells gas. Market analyses and development pro formas more tailored to the local context can help identify what types of commercial might be viable in the lower end of the square footage range, in conjunction with affordable unit set-asides for residential components.

A starting point is also provided here to consider how basic construction costs might compare between residential and non-residential development to inform an exchange of the latter for the former, keeping in mind that anticipated returns would ultimately need to be considered and with the residential development in question here, there would be an additional cost associated with the affordable housing set-aside. Looking at contractor cost estimates reported by applicants for permits from six recent TND projects (three included permits with residential cost estimates and three included permits with commercial cost estimates), the cost per square foot for residential units ranged from approximately \$55 to \$91. For commercial development, the cost per square foot range was broader, from \$40 to \$194. As a result, there may be some overlap in cost comparability, although commercial costs per square foot may tend to run higher than residential. With a case-by-case negotiation approach, specific construction costs can also be sourced from contractor, professional service, and land acquisition agreements, as well as lender term sheets, for the project in question.

## 5. Streamlining Approval Processes for Affordable Housing Development

### Policy Ideas

One of the policy ideas in Report 2 was for the County to consider streamlining public hearing, notice, and workshopping requirements for affordable housing developments as part of an inclusionary housing

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<sup>6</sup> Robert Steuteville, Phillip Langdon, and Special Contributors, *New Urbanism Best Practices Guide*, 4<sup>th</sup> ed. (Ithaca, New Urban News Publications, Inc., 2009), 79.



strategy. Section 402.44 of the County’s Land Development Code provides development thresholds at which BOCC consideration and action is required for the preliminary development plan. Both single-family and multi-family developments that are 25 units or more must adhere to the code’s preliminary plan consideration and action by the BOCC. Requiring public hearings to approve developments of this size can slow down the approval process of housing, generate unpredictability, and ultimately increase costs to an affordable housing developer.

### **1. Administratively approve affordable housing developments that meet certain criteria**

One option the County could consider is to administratively approve affordable housing developments that meet certain clearly stated criteria as an exception to the 25-unit threshold for BOCC consideration. By-right allowances that do not require a public hearing can provide predictability to the private sector, streamline the approval of new housing, and lessen the opportunity for NIMBY opposition to much-needed affordable housing developments. The County could also consider increasing the unit threshold that triggers a BOCC approval for developments that are certified as affordable.

For example, the County could pass a policy that states that developments that set aside at least 25% of its units as affordable housing to households at or below 80% AMI (or other percentage or income levels as decided by the County) can receive administrative approval of their proposal, and not need to go in front of the BOCC if they meet specified zoning requirements.

The specified zoning requirements that unlock administrative approval for projects that would otherwise require BOCC approval could include elements such as:

- Set percentage or number of affordable housing units
- Income limits
- Which zone districts are applicable
- Lot design regulations such as setbacks, parking, open space, buffering, and other site controls
- Other incentives such as density bonuses or lot design flexibility

To ensure that the public is still notified of proposed affordable housing developments, the County can still preserve its neighborhood workshop requirement at Section 402.12 and “front-load” the community engagement at that workshop level so there is less of a need for the public hearing at the BOCC level. The County could amend Section 401.20 of the Land Development Code to add this authority for development review departments and their powers.

### **2. Consider administrative approval for certain defined variances**

Alternatively, the County could consider administrative approval for certain defined variances related to an affordable housing development. The **City of Hialeah** is a good model for this type of policy as they employ an “administrative variance committee” with the authority to review “limited nonuse variances which have no relation to change of use of property and which relating relate only to matters concerning setback requirements, landscaping requirements, sign regulations, floor area requirements, yard requirements, lot coverage, height, width and length limitations for structures of or buildings and spacing requirements between principal and accessory buildings” for developments certified as affordable. This expedited approval process, as well as other expedited procedures for affordable



housing is found at Sec. 1-2 of Hialeah’s Land Development Code. Alachua County could consider a similar expedited review process for variances, rezonings, or similar types of approvals for affordable housing developments.

### 3. **Designate an ombudsman to shepherd affordable housing applications through the development process**

The County could help streamline the approval process of affordable housing developments by designating a position or department responsible for coordinating an expedited and efficient application review. An affordable housing ombudsman could give the County the opportunity to work closely with an applicant on their proposal and offer additional support as necessary. The ombudsman position could be the county administrator or their designee, staff within Growth Management, or other relevant department. This position would coordinate with all the government agencies responsible for review to ensure quick processing and could also assist the applicant with any required neighborhood workshops or any deficiencies in the application.

The **City of Fort Lauderdale** at Section 9-344 of its code includes the following benefits as part of its expedited review for affordable housing program: 1) Identify zoning regulations applicable to the proposed development; 2) Oversight of the development will be conducted from application to certificate of occupancy; 3) Referral to the appropriate Broward County government and Broward County school board affordable housing expeditors who have jurisdiction over proposed developments in the city; 4) Assist the applicant with any incomplete portions of the development application; (5) Identify resources which may assist the applicant in meeting the requirement for development permit approval. This section of Fort Lauderdale’s code also identifies as position in the sustainable development department as the expeditor responsible for shepherding projects through the approval process.

The **City of Orlando** also has a housing expeditor position that helps move affordable housing proposals through the development process. The housing expeditor works to resolve issues between the applicant and Permitting Services Division as they arise.

#### Examples

**Charlotte County.** Section 3-9-5.4 of Charlotte County’s Code of Ordinances provides an expedited permitting process for affordable housing development. The expedited permitting process for Certified Affordable Housing Developments (“AHD”) is overseen by a review committee composed of representatives from the community development department, public works, fire rescue/EMS, fire prevention, Charlotte County Utilities, and any other department(s) designated by the county administrator. An AHD is a development that dedicates at least 25 percent of its units as affordable to low or very-low income households. The county administrator serves as the ombudsman between the applicant and the Charlotte County review agencies and coordinates an expedited review process that gives AHDs “priority in the review of zoning and building permit applications.” This section of the County’s code provides specific timeframes and procedures that govern AHDs.

**Pinellas County.** Section 138-3211 of Pinellas County’s Land Development Code provides incentives for Affordable Housing Developments (AHDs). One of the incentives provides that the county administrator or designee may allow for an expedited review process as long as all public notice requirements are met.



This incentive allows the applicant of an AHD to go through the site plan review process concurrently to any required Type 2 review – a process that expedites the review of the AHD.

**Pasco County.** It is the policy of Pasco County to expedite the review of applications for affordable housing projects, LEEDs projects and projects approved by the Pasco Economic Development Council as targeted industry projects. In all cases, every effort will be made to expedite those projects using a shared, agreed upon time frame where the responsibilities and time frames for both the County and applicant are mutually agreed upon.

New developments (creating new facilities, infrastructure, parks and landscaping etc. ) and Multifamily developments that are certified as affordable by the SHIP Administrator are scheduled for a Pre-Application Meeting with Planning and Development where a County Review Team provides technical assistance prior to submittal of the development application. Once the development application is submitted, the expedited review process begins. Projects go through site review ensuring adequate parking, parks, storm water retention, etc., are in compliance with the Land Development Code. The expedited review times are 21 days (normally several months) for the first round, when application is reviewed, and comments are provided) and 14 days for the second round (final review). Then the application will go through the permitting expedited process.

Single family permit applications that are certified as affordable by the SHIP Administrator receive an "Expedited Permitting Form" that alerts the permitting staff to the expedited review status. The processing time for single family permitting is reduced from 21 days to approximately 10 days.

## 6. City-County Collaboration on Affordable Housing Policy

Affordable housing policy at the local level can often benefit from interlocal partnerships between cities and counties that are in close proximity or share common boundaries. There are multiple examples throughout Florida of local governments working in tandem to effectively produce housing policies and guidance that unlock new opportunities for increased housing affordability and availability. While the mechanics of these partnerships may vary, it demonstrates that there is not a “one size fits all” approach for fostering these collaborative local efforts, and that there is ample opportunity to pursue different strategies according to what the best fit is for a given community.

This section provides overviews of some noteworthy interlocal partnerships in Florida that have led to the successful implementation of impactful housing policies and programs. The local government partnerships detailed below provide examples of the following interlocal approaches for Alachua County to consider:

- Develop a shared strategic plan for affordable housing and community development with municipalities within Alachua County that defines shared goals and cross-jurisdictional issues. Provide timelines for short and long-term action items.
- Encourage local government staffs throughout Alachua County to share data and concepts to consider potential interlocal initiatives.
- Explore interlocal partnerships to implement new local housing programs that are responsive to community needs.



### Advantage Pinellas Housing Action Plan

Participating Local Governments: Pinellas County, City of Clearwater, City of Gulfport, City of Largo, City of Oldsmar, City of Pinellas Park, City of St. Petersburg, City of Treasure Island

Published in April 2023, the Advantage Pinellas Housing Action Plan provides a 25-year strategic plan for Pinellas County and participating local governments throughout the county to follow in pursuit of shared goals of improved mobility, economic opportunity, and housing affordability. While the Action Plan prescribes short and long-term actions for members and partners to follow, it also maintains that all participating local governments retain decision-making authority over key areas such as funding, staff, and land use. Members may also individually withdraw participation at any time upon 30 days' written notice.

The Action Plan provides guidance for the following policy goal areas that were agreed upon by participating members while also providing timeframes and guidelines for local implementation:

1. Corridor Planning
2. Healthy Communities
3. Opportunities for All
4. Resiliency
5. Housing Choice
6. Community Stakeholders
7. Implementation Framework
8. Shared Approach
9. Communications and Outreach
10. Data and Resources
11. Regulatory Toolkit

Each of the policy goal areas include action items, many of which are specific to housing. For example, one of the action items under Corridor Planning is to adopt comprehensive plan policy and land development code updates to incentivize affordable housing, missing middle housing, and mixed-use/transit-supportive development. Housing Choice features additional action items such as creating enhanced incentives for developments that are permanently affordable.

The Action Plan remains in the very early stages of implementation. It could be another 1-2 years until policies are in place for the earliest action items. However, the Advantage Pinellas partnership has already yielded positive results for its member communities with other recent efforts. The Countywide Affordable Housing Development Program, which uses revenue from a voter-approved 1-percent sales tax to preserve and develop affordable housing, has provided \$33.9 million to fund 370 affordable units and 65 workforce units. An additional \$80 million has been committed for the next decade.

### Regional Affordable Housing Initiative

Participating local governments: City of Orlando, Orange County, Seminole County, Osceola County





The Regional Affordable Housing Initiative is the result of a two-year collaboration between the City of Orlando, Orange County, Seminole County, and Osceola County to examine and address a jointly acknowledged housing shortage in their region. The initial effort began with a summit in 2016 that featured speakers including elected officials, housing industry professionals, and representatives from housing interest groups. This dialogue proved to be highly beneficial as it established key areas of consideration that were shared by participating members such as locations of housing market efficiencies, innovative housing types to explore, and how a shared strategy across jurisdictions could effectively address the observed housing deficiencies in the communities. The takeaways from the summit provided direction for local government officials and staff to guide data collection and research as shared goals were identified.

With a clear and unified direction amongst members, local government staff were able to hit the ground running with consistent actions to further explore the identified areas of interest and consider potential solutions. In the eighteen months following the initial summit, local government staff consulted with stakeholders, held weekly meetings, and conducted public workshops. As information and public input was gathered, the members and staff were able to better gauge the pros and cons of policy options such as the establishment of community land trusts, linkage fees, and inclusionary housing requirements. Through this process, members identified the following priorities for continued data collection and policy research:

- The magnitude of the affordable housing problem, based on an informed analysis of the area's affordable housing demand and supply;
- An awareness of cross-jurisdictional issues resulting from a problem of such scale;
- The planning challenges and implications of identifying specific areas offering improved access and opportunity to targeted housing populations;
- The need to identify alternative housing types and designs at multiple price points, and better aligning housing needs with the targeted populations; and
- The benefits of initiating a shared jurisdictional approach tied to commonly developed strategies, incentives and policy options.

Upon the completion of coordinated research efforts by members and staff, the Initiative published an Executive Summary Report in 2018 to document findings and lay out a framework of affordable housing strategies for members to follow. The Report begins by recognizing not only the scope of the affordable housing shortages in the participating communities, but also that singular or localized solutions are likely to no longer be sufficient. At a high level, the Report analyzes challenges and trends before identifying common goals, frameworks for recommended strategies, and policy and fiscal tools that are available for members to utilize. The Report also provides an overview of interrelated issues throughout the member jurisdictions that impact housing policy such as population growth patterns, transit planning, employment, and wages across major industries.

The Report concludes by providing a framework that defines the regional mission, sets goals, and analyzes available regulatory tools to meet regional housing needs. Identified goals are to create new housing to increase supply, encourage diversification of housing types and energy-efficiency, preserve existing affordable housing stock, promote social and economic integration, and improve financial





literacy and education of future home renters and buyers. Pursuant to each of these goals, the Report describes strategies, regulatory tools, funding sources, partnership opportunities, and additional resources that are available for members to utilize for their communities.

The benefit of the Initiative’s methodology and the Report’s presentation of information is that it paints a complete picture of relevant trends and factors that enable readers who may not be housing experts to understand why certain policies are recommended by the Initiative. The Report, a product of the Regional Affordable Housing Initiative, continues to serve as a cohesive roadmap and toolbox of policy solutions for members to follow to add quality affordable housing stock and better meet the needs of their growing communities.

### [Infill Affordable Housing Program](#)

Participating local governments: Escambia County, City of Pensacola, Pensacola Habitat for Humanity

The Infill Affordable Housing Program provides a relevant example of a city/county partnership to create an entirely new affordable housing funding program. Initially announced in 2020 but delayed until 2022 due to the pandemic, the Infill Affordable Housing Program was developed in conjunction by Escambia County, the City of Pensacola, and Pensacola Habitat for Humanity. The Infill Affordable Housing Program utilizes the concepts of urban infill and homeownership downpayment assistance by strategically targeting smaller parcels of publicly owned land for workforce single-family development (at or below 80% AMI).

In practice, the Escambia County Neighborhood and Human Services Department oversees many of the administrative functions of the Program, providing services such as educational public workshops for interested applicants and processing applications. The publicly owned parcels of land are sourced from both the City of Pensacola and Escambia County, and the Pensacola Habitat for Humanity’s primary role is to provide support for the Program’s initial implementation by overseeing the first construction sites. The Program has seen steady successful outcomes, with a stated goal of constructing 100 new single-family workforce homes within the first four years of implementation. There are also hopes for increased production in the near future due to policy options made available by the Live Local Act.

### [Sarasota Blueprint for Workforce Housing](#)

Participating local governments: Sarasota County, City of Sarasota

Sarasota County and the City of Sarasota have made notable strides in coordinating shared affordable housing policy strategies. Prior to 2018, staff from both local governments had acknowledged housing needs in their communities and had been working to identify policies that would fit their local needs. Specifically, the City and County were seeking to identify policies that would encourage workforce housing development near employment centers. To create a cohesive land use planning and financing framework/blueprint in pursuit their shared goal, the City and County contracted with the Florida Housing Coalition to develop a joint Action Plan for elected officials and local government staffs to follow.



Building on the work that had been done by City and County staff, the Coalition assisted by analyzing their policy strategies and related data to make the following recommendations that would serve as the Blueprint for Workforce Housing:

1. Encourage More Flexibility in Housing Types to Promote Infill Development
2. Allow Accessory Dwelling Units in All Single-Family Zones
3. Increase Sadowski Funding and Augment with Locally Generated Funds
4. Repurpose Vacant Commercial, Retail, and Industrial Properties for Affordable Housing
5. Adopt a Surplus Lands Policy that Maximizes the Use of Surplus Lands for Affordable Housing
6. Implement Inclusionary Housing Policy/Workforce Housing Overlay Districts
7. Reinvigorate, Reconstitute, or Otherwise Support a Community Land Trust
8. Use a Complement of Code Enforcement and Rehabilitation to Turn Dilapidated & Abandoned Housing into Workforce Housing
9. Provide NIMBY/Fair Housing Training to Governmental Staff
10. Collaborate with the School Board and other Large Employers
11. Develop an Employer-Assisted Housing Program
12. Create an Affordable Housing Ombudsman Position within the Office of Housing and Community Development

The City and County have since made great progress in implementing these goals. Notably, both the City and County have adopted ordinances to allow for expanded use of ADUs. In 2019, Sarasota County voted to allow ADUs in certain residential districts. The City of Sarasota then passed an ordinance in 2021 to allow for ADUs in all single-family zones, enabling homeowners citywide to add a living space of up to 650 square feet regardless of any existing neighborhood deed restrictions. The City has also made amendments to their Comprehensive Plan to implement a workforce housing overlay district, dubbed a “Missing Middle” overlay district. These are high-impact local housing policy changes that may normally be difficult to implement if not for both the City and County having common goals with the foresight to work together to establish their Blueprint. Opportunities for further collaboration and partnership between the local governments remain, as both the City and County are continuing to publicly support and explore housing policy solutions.