Report 1: Inclusionary Housing in Alachua County

Framing the Need and Context

The Florida Housing Coalition (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. The Coalition's recommendations are to be provided in a series of reports beginning with this document.

The purpose of this first report is to frame the need and context for an inclusionary housing program in Alachua County. This report utilizes 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. This document examines these key data points to guide the County in determining whether an inclusionary housing ordinance is appropriate to meet its affordable housing goals given the local development context. The primary questions underlying this report are:

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, this report will first examine demographic and socioeconomic trends in Alachua County, paying special attention to household composition and economic metrics. This data will be spatially visualized throughout the county to identify areas of particular interest. Afterward, an analysis of the housing inventory will examine the housing market and stock, considering the shifts in unit affordability over time and development trends. Finally, the report provides 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. Discussed in the conclusions of this report are data-driven findings that can add perspective to a proposed Alachua County Inclusionary Housing Ordinance.

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Main Takeaways

These are the Coalition's main takeaways of the housing data analyzed:

1. Home prices are increasing twice as fast as median incomes in Alachua County.

Between 2016 and 2021, the median home sale price increased at a faster rate than median household income; homes prices increased over two times as much as income in this period. During this timeframe, median home sale prices experienced a 46% increase – from $150,397 in 2016 to $219,690 in 2021 – while median incomes only increased 19.2% - from $44,702 to $53,314. This disparity between rising home prices and rising incomes highlights a serious affordability challenge in the housing market.

Of the top 20 most common occupations only three occupations General and Operations Managers, Registered Nurses, and First-Line Supervisors of Office and Administrative Support Workers meet the threshold to afford a rental unit based upon the ZORI index or afford to purchase a townhome on their sole income. None of the top 20 most common occupations earn enough to support the purchase of a home at the median sales price.

With home prices rising much faster than incomes, many households will find it increasingly difficult to afford a home, potentially exacerbating existing socioeconomic inequalities. This data also does not consider the increased home prices since 2021.

2. There is a dramatic need for more rental housing in the unincorporated County.

The unincorporated County has a relatively high homeownership rate compared to the county as a whole; the homeownership rate in the unincorporated area is 15 percentage points higher than the county as a whole. Considering the rapid increases in home purchase prices, high ownership rate of the county, and high prevalence of new construction being single-family, ownership housing, without more rental options or affordable ownership options, households at 120% AMI or below will be priced out of the unincorporated county. In addition, the most affordable units, units that cost less than $500 or between $500 and $999, in the unincorporated area experienced an estimated decrease of 64.2% and 41.2%, respectively between 2016 and 2021. The fastest growing cost brackets for rental units are "$1,500 to $1,999" and "$3,000 or more", housing which is considerably less affordable to households at 80% AMI and below.

3. Homeownership is quickly becoming unaffordable for households earning up to 120% AMI.

Although households at or below 80% AMI have the greatest need for housing that is affordable, rapidly increasing home prices are making it more unattainable for households earning up to 120% AMI, and even 140% AMI, to afford to purchase a home. Alachua County needs more housing at all price points to create a sustainable housing market. By establishing affordable deed-restricted units for lower-income households, an inclusionary housing ordinance has the potential to boost the market-rate housing supply. This can be achieved through measures like density bonuses and upzoning, which developers can utilize to compensate for any impacts they may face.

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.

The most affordable units in the county, those affordable to households at the 80% AMI level, are being rapidly lost compared to the most expensive units. These shortages are exacerbated by upward trends in purchase and rent prices. Single-family home and townhomes prices rose an additional 7% and 20%, respectively, in 2023; this is on top of a 7% and 13% increase in 2022. Median purchase prices have risen past what median households can afford. Median rents, according to the ZORI measure, increased by 25% in 2021 year-over-year, again by another 15% year-over-year in 2022. Currently, there is a shortage of 4,874 affordable and available rental units for households at 60% AMI and below. An inclusionary housing ordinance that supported rental units in this range would help relieve this shortage.

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.

Overall, development activity in Unincorporated Alachua County has slightly lagged behind population growth, though the gap has been closing in more recent years. Over the nine-year period there has been an average unit increase of 516 units, an average increase of 448 households, which without the estimated loss of units would just cover annual growth, but after accounting for an estimated annual loss rate of approximately 86 units, there is an estimated average deficit of 168 or annual lag of about 19 units. Prior to the uptick in development activity in 2021, there would have been an estimated deficit of 535 units, or 59 units annually.

If the unincorporated Alachua County population over the next 20 years were to keep growing at the same rate as it has been for the last ten, by 2043 the population will be 140,505 an increase of 31,487 or an estimated 12,696 new households if future household size mirror the 9-year average of 2.48. At this 1.16% rate of growth, the county would need to build roughly 663 units a year on average to keep up with growth and loss of units. However, if the population growth is going to progress as it did from 2019 to 2020, with a growth rate of 1.35, the county will need to build roughly 772 units a year. According to the BPS data and County data, the unincorporated county is beginning to reach this unit-threshold as of 2021 and 2022. Although there are positive signs of the county starting to keep pace with demand, the number of units created is not itself enough to address the housing need, particularly for low-income households. An inclusionary housing ordinance would ensure that units at affordable homes to targeted incomes are added to the community as well.

6. Predominant housing types may not align with household needs.

Unincorporated county has an abundance of single-family units and over 43% of the entire housing stock are 3-bedroom homes. However, 36% of all households are single-resident households. There is a mismatch between the number of non-family and single-householder households who make up most of the County’s population and the housing options available to households of smaller sizes. For example, a household of four at 80% AMI could afford a median townhome. Yet, attached 1-units only make up 3.9% of the housing stock.

A greater diversity of unit types, such as townhomes, duplexes, and triplexes, would allow for more affordable options for households. When households have no option but to buy or rent "too much house" it puts them into a situation where they are likely overpaying for their housing needs. Affordable single-family homes could still help meet needs of families in the county, including single-adult family households, which tend to have larger household sizes than the overall average and less than half the median income than the overall median family income. Report 2 will analyze land availability and regulations by housing type and associated tenure patterns to understand how an IHO policy could be applied to capitalize on development activity to produce affordable homeownership options as well as generate adequate rental options through housing types that suit the needs of households of focus.

7. Income segregation may result in limited access to opportunities for lower income households.

Further analysis will help determine locational opportunities for IHO and whether resulting income-restricted unit locations can improve access to opportunity. Areas within the Urban Cluster Area are high-income areas of opportunity, with fewer lower income households living in those census tracts. Additionally, much of the development activity for the past 10 years has occurred in the western part of the county. Report 2 will look at land availability, land use policies, and land development regulations for future development to understand how an IHO policy would affect dispersion of housing opportunities for various income levels and opportunities for households of more varied income levels to access opportunities in the west side of the county.

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.

Although the unincorporated county's ownership rate is 15 percentage points higher than the county as a whole, there are several census tracts with a relatively high prevalence of rental homes. These census tracts with a high rental development rate could be the target of an inclusionary housing policy that produces more affordable rental units, particularly higher density housing is more commonplace. Census tracts 17.01, 18.11, 22.17, 22.18, and 22.19 may be primed to house more affordable rental units. Relatedly, census tracts 22.08, 22.22, 22.07 are some of the highest income areas while possessing among the lowest rates of renters in the unincorporated County, which could benefit from an inclusionary policy that increased both affordable homeownership and accessible rental opportunities.

Demographic and Socioeconomic Background

General Demographics Overview

Alachua County is a medium sized county with 276,171 residents (ACS 2021). The largest city in the county, Gainesville, has 138,741 residents comprising about 50% of county population. Unincorporated Alachua County is home to 109,018 residents, 39% of the county's total population. Over the last 10 years the population growth in unincorporated Alachua County has remained consistent, averaging about 1.06% population growth per year, compared with the whole county which has a 1.16% annual growth rate according to American Community Survey Data. A 1.16% average growth rate can be described as a relatively modest rate of population increase and, while it may not seem like a large number, can have significant implications over time. Over a 20-year span at a 1.16% rate, the unincorporated county's population would grow to over 133,000. In the whole of Alachua County there are an estimated total of 105,003 households, with 40,915 households within the unincorporated County area (FHC Calculation of 2021 ACS 5Y data).

In unincorporated Alachua County there are fewer racial minorities than the County as a whole. In unincorporated area, 64.8% of the population is white, not Hispanic, compared to 60% of whole County, 55% of Gainesville, and 52.6% of the state. The Black/African American population in unincorporated Alachua County is also fewer than in the whole county as a proportion, 17.4% compared to 19.6% respectively. Similarly with the Hispanic/Latino population with 8% population of the unincorporated county and 10.5% in the whole county. The Asian population makes up 6.9% of the unincorporated county population, as compared with 5.9% Asian population in the whole county.

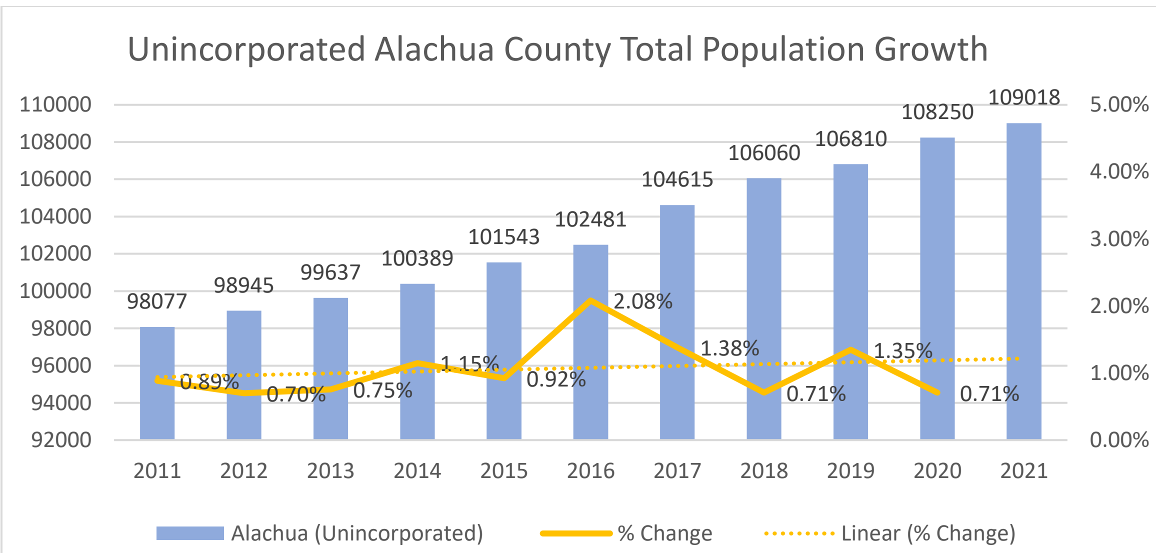


Figure 1: Unincorporated Alachua County Population Growth

Household Types

Household types and sizes play an important role in considering the affordable housing stock of a community. Communities with a relatively high percentage of smaller household sizes (1-2 person households) could benefit from a housing stock that is composed of smaller homes, that can be more naturally affordable due to their size. It can be very important for a community's household sizes to match the community's home sizes. Area median incomes, which is one of the primary metrics used when calculating affordability, will often depend upon household size to determine whether an income is sufficient to address a household housing need. Table 1 provides a summary of family and non-family household types, including average household size.

HOUSEHOLD TYPES	All Households	Married-couple households	Male householder, no spouse households	Female householder, no spouse households	Nonfamily household
Total households	105,003	38,813	3,119	10,987	52,084
% of Total Households	100.0%	37.0%	3.0%	10.5%	49.6%
Average household size	2.49	3.27	3.73	3.87	1.54

Table 1: Household Type Distribution

With a total of 105,003 households, the county demonstrates a diversified spectrum of household types. Married-couple households form the largest specific grouping, accounting for 37.0% of the total households, equating to 38,813 units. The average household size for this group is relatively larger, at 3.27 individuals per household. This is followed by female householder, no spouse households (10.5%, 10,987 households) with an even larger average household size of 3.87, indicating a potential prevalence of extended family living arrangements. Male householder, no spouse households represent a smaller portion, just 3.0% (3,119 households) with the highest average household size of 3.73. The Male householder, no spouse and Female householder, no spouse categories include single parent households, of which there are 1,388 and 5,386 respectively (ACS Table B11003, not depicted in Table 1). Single parent households make up 12.8% of all family households and 6.4% of all households. The most substantial portion of the population resides in nonfamily households, which make up nearly half of the total households at 49.6% (52,084 households). However, this group features the smallest average household size, at 1.54. Non-family households, as defined by the US Census Bureau, refers to households that do not include any members related by blood, marriage, or adoption. These households can include a diverse range of living arrangements, such as individuals living alone, roommates, and cohabitants who are not married or in a domestic partnership. Of the 52,084 non-family households, 38,171 of them are single-resident households—36% of all households. Overall, this data suggests a significant demand for diverse housing solutions, accommodating larger family units as well as single-person households.

Economic Characteristics

The median household income in Alachua County is $56,445 (ACS S1901 1Y2021), meaning half of Alachua County households make less than this figure. The County's average income of $86,187 suggests the presence of a substantial proportion of households with higher incomes. The graph below depicts the distribution of incomes for the unincorporated Alachua County compared to the other geographies. This graph shows that unincorporated Alachua County has a higher proportion of households earning $75,000 a year or more compared to the state and the county as a whole; unincorporated Alachua County has more households with higher incomes than the county as a whole. This higher proportion of relatively higher income households could indicate a market for higher priced homes in the unincorporated area that may not be attainable to lower income households seeking homes.

The prevalence of these higher income households in the unincorporated county may be one indication of a greater need for housing policies that address households that earn below $75,000 and cannot afford market-rate homes. An IHO program could help address gaps in the market for lower-income households. Direct measures of the gap in affordable and available homes for lower income households us further explored alter in this report.

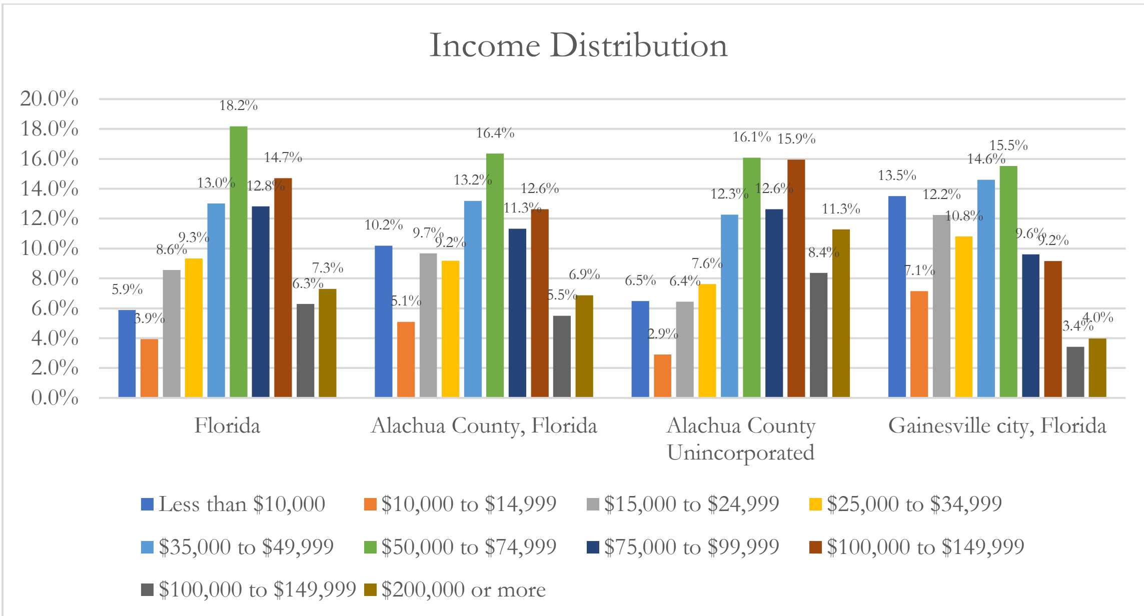


Figure 2: Income Distribution

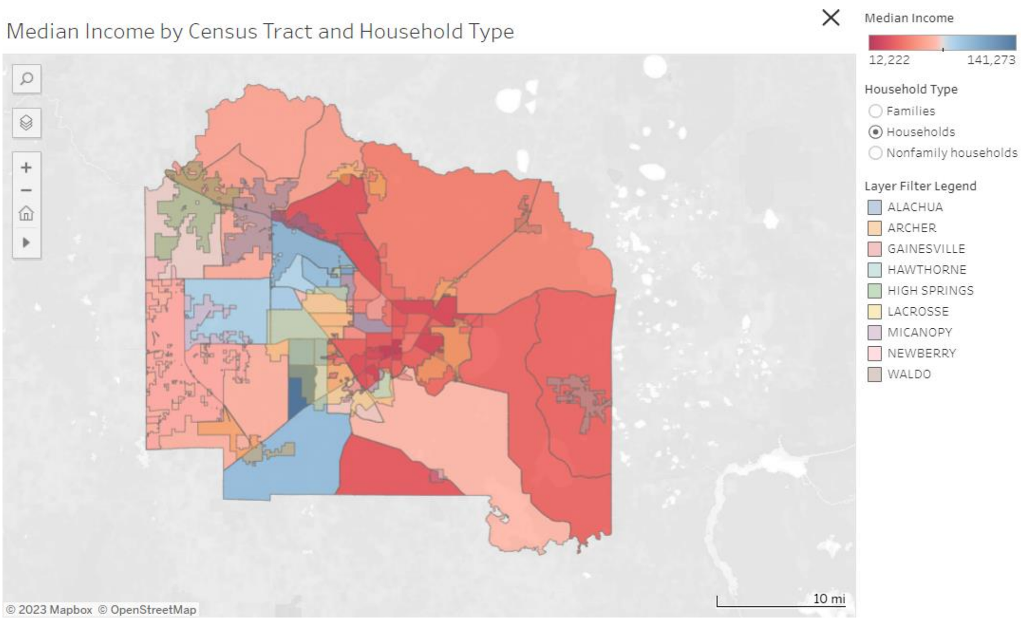
Another way to consider household incomes is the median incomes of different household types. The following chart shows household incomes for all households, families, married couple families, and non-family households.

	All Households	Families	Married-couple families	Male householder, no spouse households	Female householder, no spouse households	Nonfamily households
Median income (dollars)	$56,445	$86,547	$102,745	$31,830	$40,212	$33,100
Census Table S1901 ACS1Y2021						

Table 2: Household Median Income by Household Type

The median income for married-couple families is considerably higher than family households as a whole, indicating that two parent households have significantly higher incomes than other family types and may be more likely to have dual incomes as compared to other family and nonfamily households.

The following map provides insight into median incomes by census tract and allows for filtering by household type. Dark blue indicates census tracts with the highest median incomes in the county whereas dark red indicates census tracts with the lowest median incomes in the county. In general, the census tracts with the highest incomes are concentrated in the unincorporated western area of the county, with some of them falling within the Urban Service Area and Urban Cluster Area. These tracts also tend to have a lower presence of lower-income households compared to the overall income distribution in the county, pointing to a comparatively high degree of income segregation in these areas. For instance, in census tract 22.07 households earning $35,000 to $49,999 make up 5.2% of all households in the census tract as compared to making up 12.3% in the unincorporated county as a whole. Households making $25,000 to $34,000 comprise only 0.8% in the tract as compared to 7.6% in the county as a whole.



Median Income and Income Distribution by Census Tract Map Link

Figure 3: Median Income by Census Tract Map Viz

Homeownership

The homeownership rate in unincorporated Alachua County is higher than that of the whole county and Florida. The whole county has a homeownership rate more comparable to the city of Gainesville, where the lowest rate of homeownership by census tract are found.

	Florida	Alachua County	Unincorporated	Gainesville
Occupied housing units	8,157,420	105,003	40,915	21,234
Owner-occupied	66.5%	55.1%	69.8%	54.5%
Renter-occupied	33.5%	44.9%	30.2%	45.5%

Table 3: Homeownership by Jurisdiction

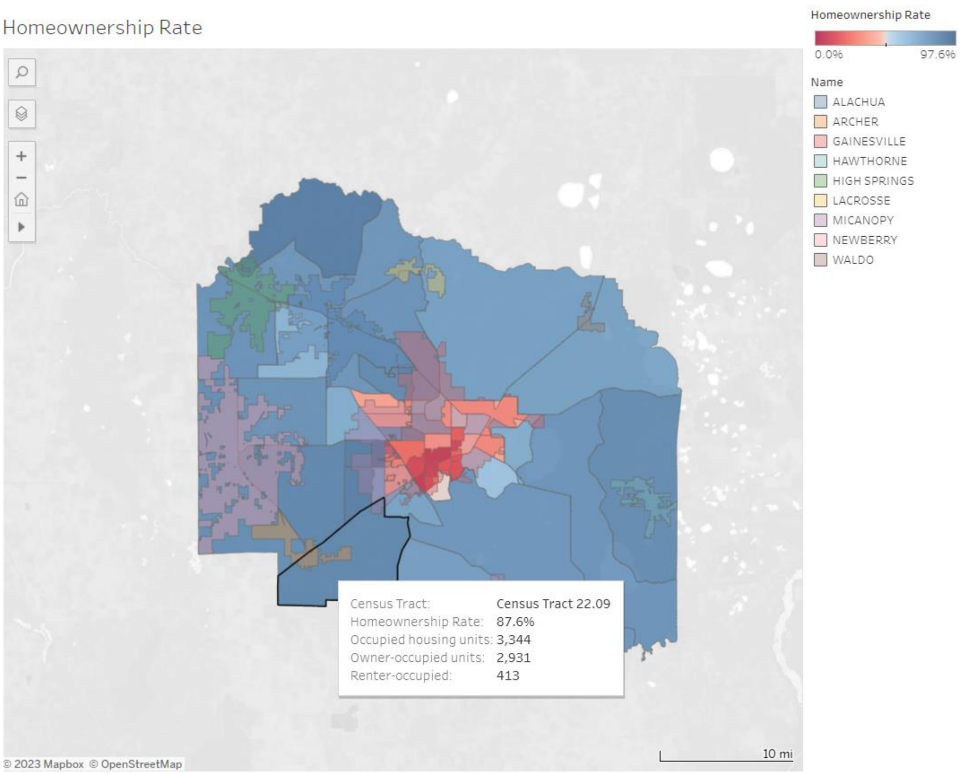
Married couples have higher rates of homeownership compared to single-parent and non-family households. Married couples generally have higher incomes, which improves their chances of being approved for a mortgage to buy a home of their choice.

HOUSING TENURE	Total	Married-couple family household	Male householder, no spouse present, family household	Female householder, no spouse present, family household	Nonfamily household

Owner-occupied housing units	55.1%	78.3%	53.9%	45.1%	40.0%
Renter-occupied housing units	44.9%	21.7%	46.1%	54.9%	60.0%

Table 4: Homeownership by Household Type

The map displayed illustrates the home ownership rates in Alachua County based on census tracts. Dark blue shades indicate areas with relatively high rates of home ownership, while dark red shades represent areas with low rates of home ownership. In Alachua County, the city of Gainesville exhibits the lowest home ownership rates. Conversely, throughout most of the county, home ownership rates are relatively high, with most census tracts reporting rates above 70% and some reaching as high as 91%. Notably, census tracts 17.01, 18.11, 22.17, 22.18, and 22.19, located within the Urban Cluster Area, display the highest rates of rentership among the unincorporated county area, though still far above rates observed in the center of the county within City of Gainesville.



Homeownership Rate Map Link

Figure 4: Homeownership by Census Tract Map Viz

In higher-income areas such as the Urban Cluster Area in the west of the county, housing prices and rents tend to be higher, which could present challenges for low- and moderate-income households to afford housing in these areas. Census tracts 22.08, 22.22, and 22.07 exemplify this trend with notably lower rates of renters in housing units. This situation poses a dual challenge for low- and moderate-income households who cannot afford homeownership options that are more prominent in these areas, while also struggling to find affordable rental options due to limited availability. Therefore, it is crucial to address both affordable rental and homeownership needs. Implementing housing strategies that support lower-cost homeownership and promote the availability of affordable rental units can bring balance to these high-cost and predominantly ownership-concentrated areas. If found to be a compatible tool for the context, an inclusionary housing program can serve as effective tools to increase the availability of both affordable rental and homeownership options in high-income areas.

Housing Inventory Analysis

This section of the report focuses on identifying trends in the recent housing market as it pertains to home sales and the cost of rent. The data presented aims to illustrate the extent of the affordability gap and provide insight into what types of housing lower-income households can afford.

Sales Market Trends

This analysis starts with data derived from the Florida Realtors' as of February 2023. The chart below provides a snapshot of the most recent 2023 monthly sales data at the time of this writing summarized for statewide Metropolitan Statistical Areas (MSAs). In February 2023, the median sales price for a single-family home in the Gainesville MSA was $330,000 – a year-over-year increase of 6.5%. The MSA saw a general cooling of the housing market, with a decrease in closed sales down 20.6% compared to a decrease in Florida of 21.3%. The median sales price for a townhome/condo has a year-over-year increase of 19.5%.

	Single Family Homes				Townhouses and Condos			
	Closed Sales	Y/Y % Change	Median Sales Price	Y/Y % Change	Closed Sales	Y/Y % Change	Median Sales Price	Y/Y % Change
Florida	18,627	-21.3%	$395,000	3.5%	7,665	-30.2%	$315,000	8.6%
Gainesville MSA (minus Gilchrist)	196	-20.6%	$330,000	6.5%	69	-50.0%	$184,000	19.5%
Source: Florida Realtors Market Sales Activity – February 2023 - MSA Level Data								

Table 5: Florida Realtors Monthly Sales Activity - Feb 2023

In 2022, the median sales price for a single-family home in the Gainesville MSA rose 13.5% since the end of 2021.

	Single Family Homes				Townhouses and Condos			
	Closed Sales	Y/Y % Change	Median Sales Price	Y/Y % Change	Closed Sales	Y/Y % Change	Median Sales Price	Y/Y % Change
Florida	287,352	-18.0%	$402,500	15.7%	125,494	-21.7%	$306,500	21.6%
Gainesville MSA (minus Gilchrist)	3,364	-9.7%	$340,000	13.5%	896	-17.9%	$171,104	16.0%
Source: Florida Realtors Year-End 2022 MSA Level Data								

Table 6: Florida Realtors Year-End Sales Activity - 2022

The median sales price for a single-family home in the Gainesville MSA in 2021 was $299,000. Comparing this to the chart above, median home prices in the MSA increased by over $40,000 from 2021 to 2022.

	Single Family Homes				Townhouses and Condos			
	Closed Sales	Y/Y % Change	Median Sales Price	Y/Y % Change	Closed Sales	Y/Y % Change	Median Sales Price	Y/Y % Change
Florida	350,516	12.9%	$348,000	20.0%	160,177	34.2%	$252,000	17.2%
Gainesville MSA (minus Gilchrist)	3726	8.9%	$299,000	17.5%	1092	32.7%	$147,500	9.5%
Source: Florida Realtors Year-End 2021 MSA Level Data								

Table 7: Florida Realtors Year- End Sales Activity - 2021

For a look at the long-term housing trends the Zillow Home Value Index (ZHVI) is provided below. ZHVI is a seasonally adjusted measure of the typical home value and market changes across a given region and housing type. This is slightly different from the median home price tracked by the Florida Realtors above because it does not separate out single-family and multifamily owner-occupied units, nor does it include extremely high-priced outlier units. However, it is an excellent measure of the price someone who is open to both single-family and condo/townhome ownership is likely to pay for a typical home. In Alachua County, the index found 10.9% year-over-year increase, compared to 14.18% in Florida (though Florida starting from a much higher base).

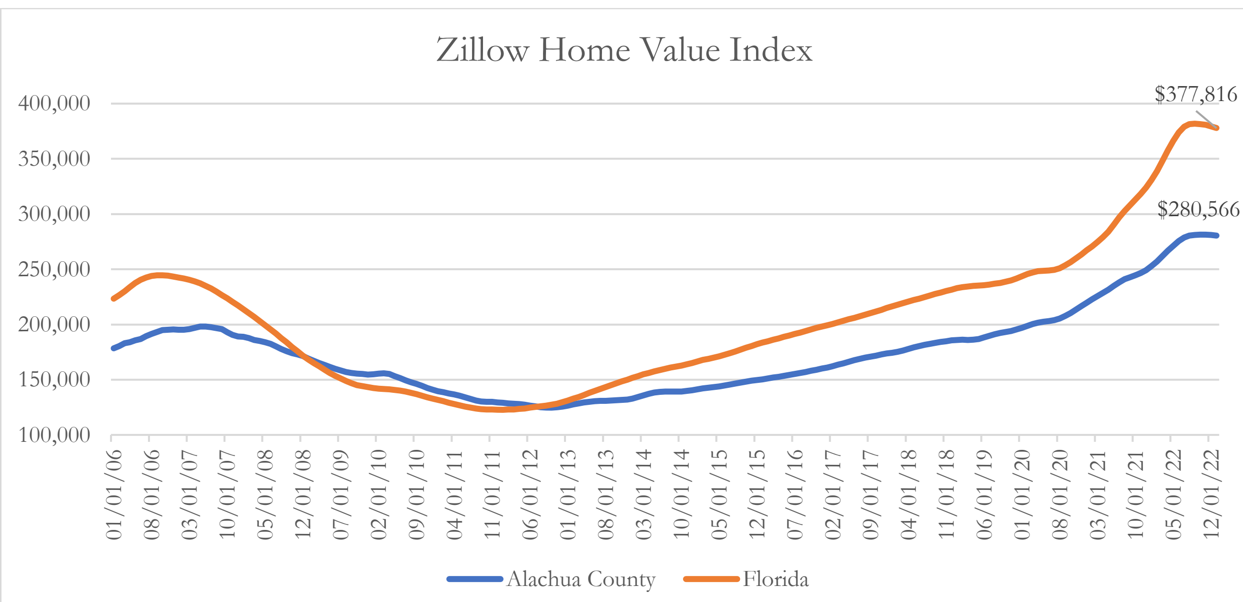


Figure 5: Zillow Home Value Index

Supply Trends

To provide an overview of sales trends the following chart is derived from MLS data available through Redfin's data center. The chart visualizes housing market activity by depicting active listings and monthly sales alongside months of supply available.

In the period following the COVID-19 outbreak (March 2020 - December 2022), monthly sales in Alachua County increased to an average of 363, with peak sales ranging between 400 and 500 during the summer of 2021. This is in contrast to the average monthly sales of 277 that were observed in the pre-COVID period from 2012 to February 2020. This trend depicts the high activity of the real estate market, that coincides with peak median homes sales represented in Florida Realtors and Zillow data.

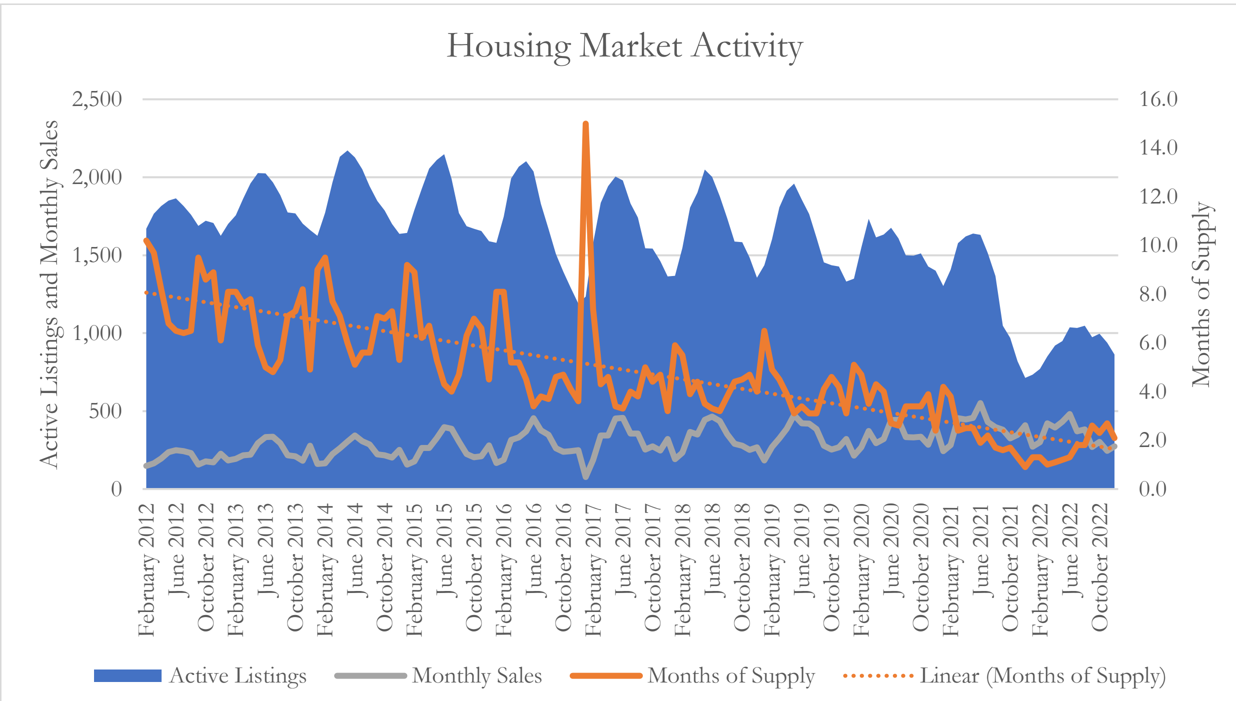


Figure 6: Alachua County Housing Market Activity

Months of supply or relative supply, seen represented on the right axis, is a measure of how many months it would take to sell all the available homes on the market, given the current level of demand. A relative supply of less than six months is generally considered a seller's market, meaning there are more buyers than there are homes for sale, and prices may rise. A relative supply of six to nine months is considered a balanced market, meaning there is an equal balance of buyers and sellers. A relative supply of more than nine months is considered a buyer's market, meaning there are more homes for sale than there are buyers, and prices may fall.

In late 2021 and 2022, the relative supply of housing fell below two months. It reached its lowest point in December 2021, with only 0.9 months of supply available—a severe sellers' market. For the first three quarters of 2022, relative supply hovered around two months, until it rose above two months again in September 2022. By the end of 2022, the average relative supply was 2.7 months. This shortage of supply, coupled with high demand, has led to rapid increases in home sale prices, making it even more challenging for low and moderate-income potential homebuyers to find affordable housing.

Renter Market Trends

To provide insight into rental market trends in Alachua County this report derives data from two primary sources, 1) Zillow Observed Rent Index (ZORI) and 2) the American Community Survey data table DP04. The ZORI index is a measure of the median estimated market rate rent across a specific geographic region and is based upon Zillow's rental listings, updated monthly. ZORI offers a more granular and timely view of the rental market, allowing users to track rental price changes more closely. On the other hand, ACS data on median rent is a product of the U.S. Census Bureau, and it is collected through an annual survey. ACS data provides a broader perspective on rental prices and includes information on a wider range of properties, including those that may not be listed on online platforms like Zillow. By combining these two sources of data, this report can leverage the strengths of each source, resulting in a more comprehensive and robust analysis.

The chart below shows the latest data from ZORI through August 2022. The highest increase in rental rates occurred in November 2021, reaching a 25% year-over-year increase. Since then, rental rates have slowed down to about 16% year-over-year as of August 2022, which is still much higher than the pre-COVID trends averaging about 5.5%.

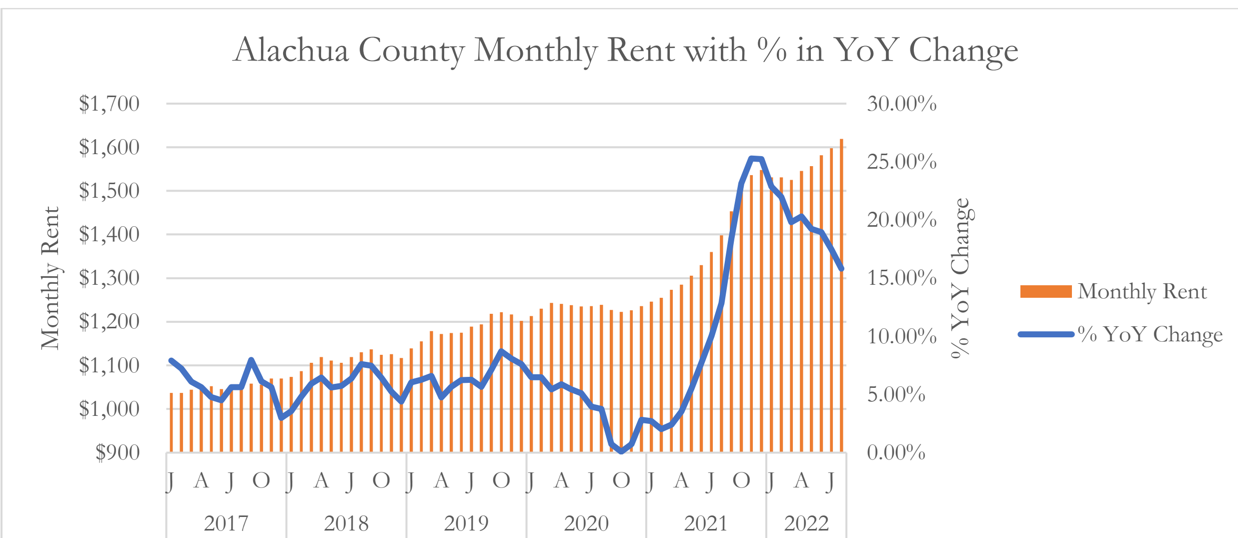


Figure 7: Monthly Rent Year-Over-Year Change

Existing Housing Stock

This section looks at the presence of housing types regarding housing units' structure and size. When designing an inclusionary housing ordinance, it is essential to consider both these factors to ensure that the policy effectively addresses the diverse needs of the community. These factors play a crucial role in determining the affordability and accessibility of housing options.

The chart below illustrates that in all geographies there is a strong tendency toward single family homes, however this predominance of housing types is even stronger in Unincorporated Alachua County. The unincorporated area also has a higher proportion of mobile homes, accounting for 12.6% of housing units, which is twice the percentage observed within the broader county.

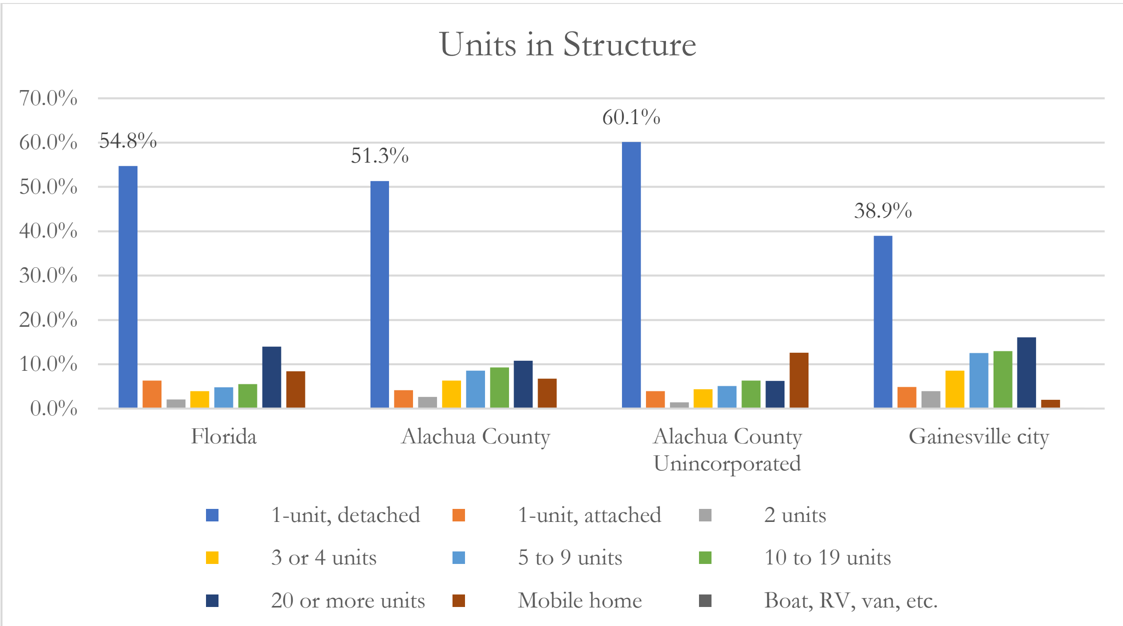


Figure 8: Units in Structure

Unincorporated Alachua County exhibits a greater abundance of larger housing structures compared to Florida as a whole, the entire county, and Gainesville. The area has a significantly higher proportion of 3-bedroom units, with a 21-point gap between the most common (3-bedroom) and the next most common type (2-bedroom). Additionally, 4-bedroom units are nearly as common as 2-bedroom units, with only a 1% difference. This trend suggests a prevalence of larger housing units in unincorporated Alachua County, which may contribute to a decrease in the availability of smaller, more affordable housing options.

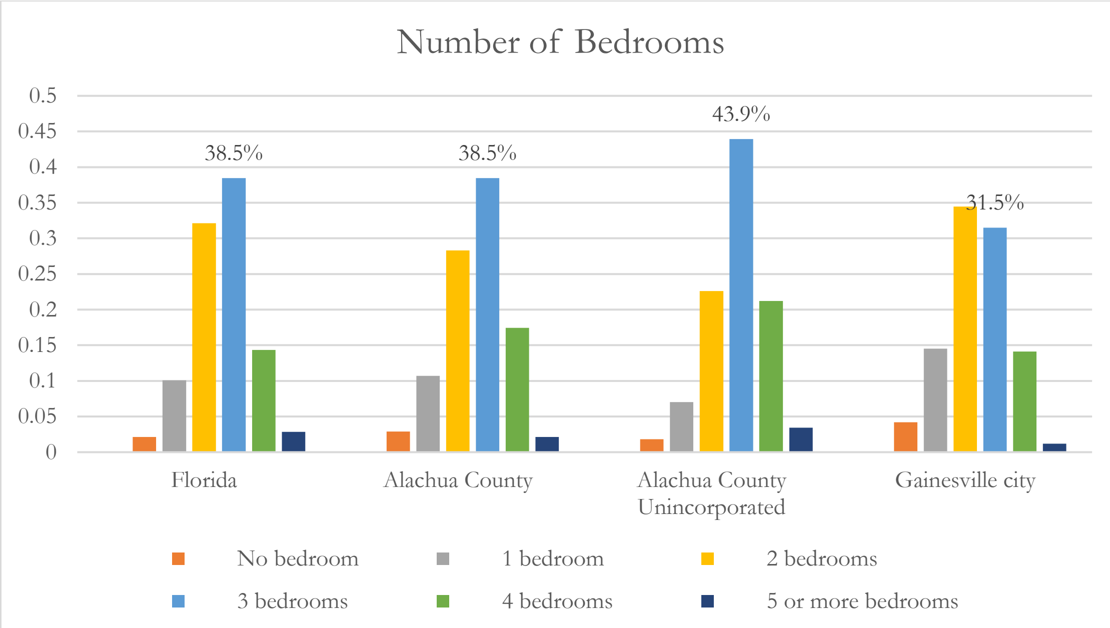


Figure 9: Number of Bedrooms

Change in Unit Value

The following two charts compare American Community Survey (ACS) Data for 2016 and 2021 to determine the change in unit value in owner occupied units and rental units. These charts tell the story of the change in the affordability of the housing stock at the differing price brackets. While value brackets in this analysis are not equal, it does provide a snapshot at what is happening at these various tiers. This analysis shows a disproportionate growth in the highest cost owner-occupied housing units and shift in increasing values.

Between 2016 and 2021, the number of occupied housing units in unincorporated Alachua County increased by an estimated 2,287 units according to ACS data, from 26,279 to 28,566. During this six-year period, the four lowest value brackets experienced a net decrease in units. Conversely, the three highest value brackets - "$300,000 to $499,999," "$500,000 to $999,999," and "$1,000,000 or more" - saw the largest increases, with growth rates of 66.3%, 72.0%, and 172.1%, respectively. These changes in unit types illustrate the general directionality of housing stock trends and are best understood as an indicative measure rather than an absolute value.

	Unincorp. Alachua County 2016	% of Housing Stock	Unincorp. Alachua County 2021	% of Housing Stock	Change in Units	% Change in Share of Total Units	% Change of units in category
Owner-occupied units	26,612	100.0%	28,566	100.0%	1,954		
Less than $50,000	1,820	6.9%	1,614	5.7%	-206	-1.3%	-11.3%
$50,000 to $99,999	3,654	13.9%	2,942	10.3%	-712	-3.6%	-19.5%
$100,000 to $149,999	3,502	13.3%	2,918	10.2%	-584	-3.1%	-16.7%
$150,000 to $199,999	4,723	18.0%	3,720	13.0%	-1003	-4.9%	-21.2%
$200,000 to $299,999	6,685	25.4%	6,744	23.6%	59	-1.8%	0.9%

$300,000 to $499,999	4,455	17.0%	7,407	25.9%	2952	9.0%	66.3%
$500,000 to $999,999	1,601	6.1%	2,753	9.6%	1152	3.5%	72.0%
$1,000,000 or more	172	0.7%	468	1.6%	296	1.0%	172.1%

Table 8: Change in Owner Occupied Unit Value

In unincorporated Alachua County between the years of 2016-2021 there was an estimated net loss of 291 rental units, however this it is important to note that due to the margin of error accompanying ACS data, this figure does not appear to be statistically significant. The number of the most affordable units, units that cost less than $500 or between $500 and $999, in the unincorporated area experienced a decrease of 64.2% and 41.2%, respectively. The fastest growing cost brackets for rental units are "$1,500 to $1,999" and "$3,000 or more". The plurality of rental units cost between $1,000 and $1,499 per the ACS data.

	Unincorp. Alachua County 2016	% of Housing Stock	Unincorp. Alachua County 2021	% of Housing Stock	Change in Units	% Change in Share of Total Units	% Change of units in category
Occupied units paying rent	11,785	100.0%	11,494	100.0%	-291		
Less than $500	961	3.7%	344	3.0%	-617	-0.7%	-64.2%
$500 to $999	5,648	21.5%	3,322	28.9%	-2,326	7.4%	-41.2%
$1,000 to $1,499	3,459	13.2%	4,480	39.0%	1,021	25.8%	29.5%
$1,500 to $1,999	1,100	4.2%	2,295	20.0%	1,195	15.8%	108.6%
$2,000 to $2,499	313	1.2%	516	4.5%	203	3.3%	64.9%
$2,500 to $2,999	152	0.6%	163	1.4%	11	0.8%	7.2%
$3,000 or more	152	0.6%	374	3.3%	222	2.7%	146.1%

Table 9: Change in Rental Unit Cost

Building Activity Analysis

Housing Development Sector

The following section of this report examines the building sector in Alachua County to understand how development is proceeding compared to population growth in the area. Whether development is keeping up with population growth is important to note because if population growth outpaces building there can be a strain on housing supply which can lead to increases in housing prices. The following chart depicts the past thirty years of permits as tracked by the US Census Building Permit Survey, in which Unincorporated Alachua County has seen wide variability in building activity.

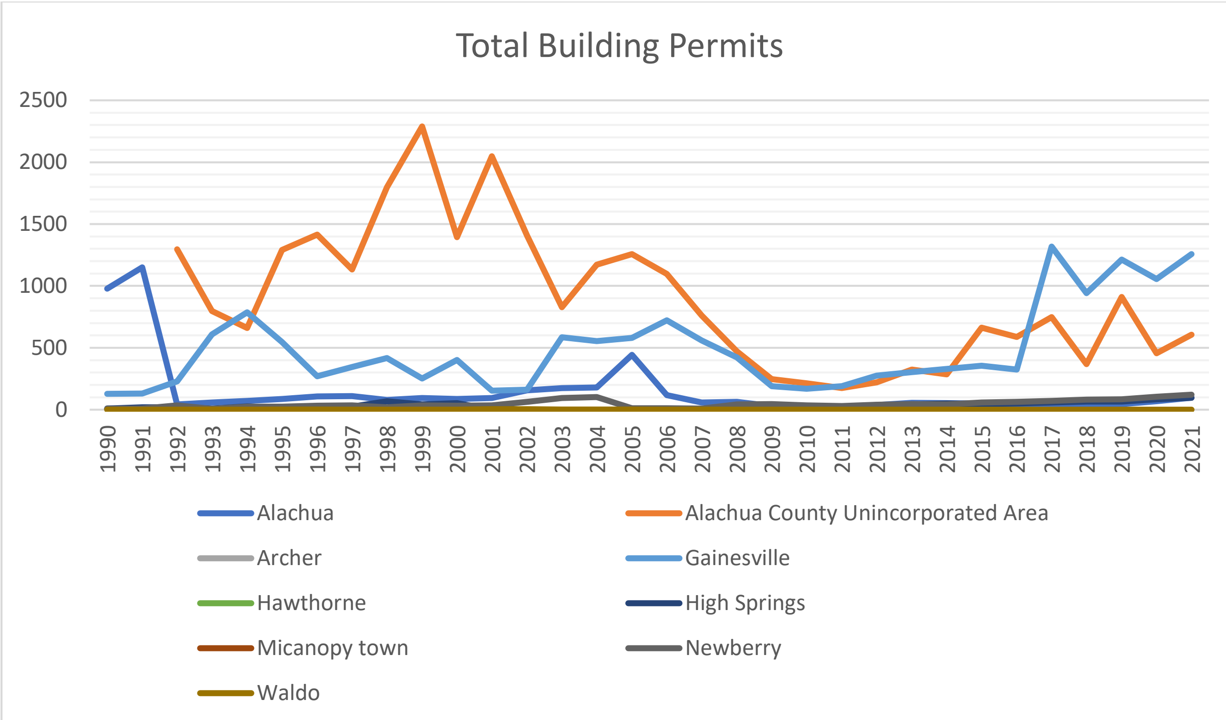


Figure 10: US Census BPS Total Building Permits

Building activity in the unincorporated County has not yet reached the levels seen before the 2008 housing crash. Census permit data shows that the county has permitted an average of 468 units per year over the past decade, excluding mobile homes but including both single-family and multi-family units. Although building permits decreased in 2018 and 2020, resulting in a reduction in the 10-year average, the recent trendline for building permits has been positive.

County Permit Data

For the analysis of county permit data, a report was for February 2013 – February 2023 on the County's CitizenServe portal. This data was sorted by permit type and sub-type and by date issued. An estimated 97% of permits classified as new construction permits, filtering for projects that don't account for new units, were for single family projects; or 73.4% of all building permits including manufactured homes and ADUs. Over the past 10 years there have been about 8.5 multifamily development projects a year (developments for 3 or more families), or a total of 85 developments. Modular and manufactured home activity accounts for a sizable (21%) portion of building permit activity.

Building Permits	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Grand Total
Accessory Dwelling Unit									33	35	3	**71**
Rural									30	26	2	**58**
Urban									3	9	1	**13**
Manufactured Home (HUD)	67	92	82	130	120	146	170	101	161	186	8	**1263**
New Construction	325	290	387	354	393	391	479	495	660	778	7	**4559**
Manufactured/Modular	7	6	4	10	4	8	6	6				**51**

Residential (1-2 Family)	318	284	370	333	369	372	459	489	659	763	7	**4423**
Residential Multi-Family (3 or more families)			13	11	20	11	14		1	15		**85**
Grand Total	**392**	**382**	**469**	**484**	**513**	**537**	**649**	**596**	**887**	**1034**	**21**	**5893**

Table 10: County Permit Data

The following map is a heat map of issued New Construction building permit during the same timescale. The map shows that most permits have been issued within the central Urban Cluster Area. But there is also considerable development happening outside of the urban cluster area, particularly in the areas south of Alachua and to the east of Newberry.

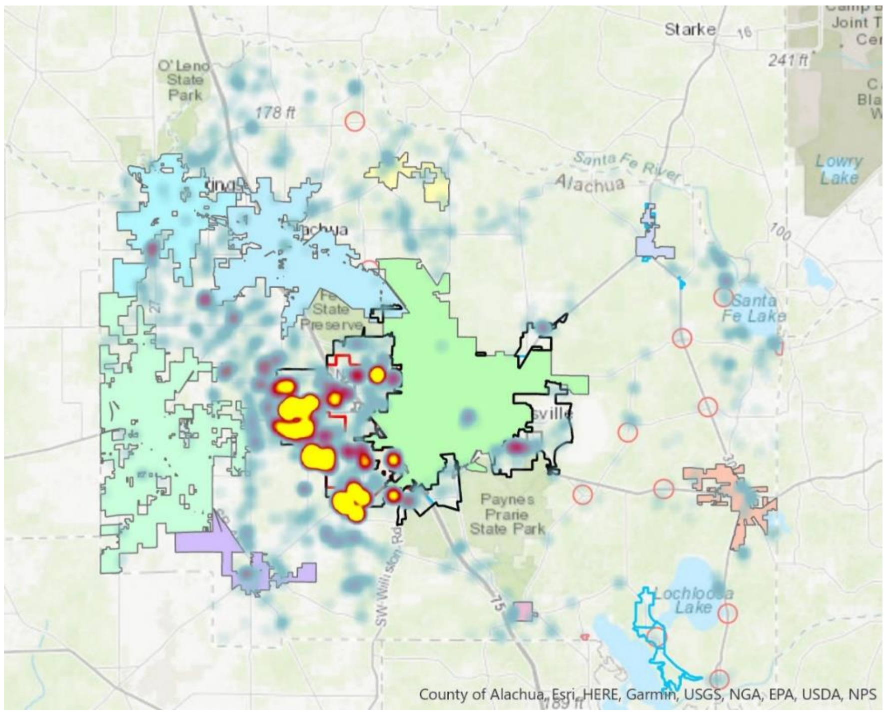


Figure 11: County Building Permit Data Heat Map

Building Activity Compared with Population Growth

To evaluate the housing demand and supply trends, this section compares building permits to population growth. Data used for this analysis includes the 2012-2021 Census 5-Year Survey data for population (Census Table DP05) and average household size (Census Table S1101). The building permit data was collected from the Census Building Permit Survey Time Series and Table Tool, and the reported numbers of manufactured and modular units were added from Alachua County data. An annual estimated unit loss was calculated using similar methodology to the U.S. Census Bureau[1] uses to calculate state and county housing estimates, applying housing loss rates based upon age distribution and type of housing stock. Finally, to calculate the unit demand, the total population was divided by the average household size. The difference between the total number of housing units built and the housing unit demand represented the surplus or deficit of units. The building permits data provided by the Census and the

[1] Methodology For State and County Total Housing Unit Estimates (Vintage 2020)

County exhibit slight differences. There are several potential reasons for this variation, including disparities in reporting schedules between the Census Bureau and the County, methodological differences in counting units, and discrepancies in how the building permit survey is conducted and data is categorized by department staff.

Overall, development activity in Unincorporated Alachua County has slightly lagged behind population growth. Since 2013, the analysis finds that there has been a net deficit in new units compared to population growth. Over the nine-year period there has been an average unit increase of 516 units, an average increase of 448 households, which without the estimated loss of units would just cover annual growth, but after adding the average loss rate of 92 units in, there is an average annual deficit of about 25 units.

Year	Units Built	Population	Population Growth	Household Size	New Housing Demand	Estimated Annual Loss of Units	Surplus/Gap
2012		98,945					
2013	386	99,637	692	2.43	285	62	9
2014	373	100,389	752	2.45	307	99	-26
2015	453	101,543	1154	2.46	469	91	-108
2016	462	102,481	938	2.49	377	92	-7
2017	502	104,615	2134	2.58	827	92	-417
2018	512	106,060	1445	2.46	587	92	-167
2019	632	106,810	750	2.55	294	91	246
2020	554	108,250	1440	2.48	581	93	-119
2021	766	109,018	768	2.49	308	91	366
						Net Unit Surplus/Gap	**-168**

Table 11: Building Activity Compared to Population Growth

If the unincorporated Alachua County population over the next 20 years were to keep growing at the same rate as it has been for the last ten, by 2043 the population will be 140,505 an increase of 31,487 or an estimated 12,696 new households, assuming that future household size mirror the 9-year average of 2.48. At this 1.16% rate of growth, the county would need to build roughly 663 units a year on average to keep up with growth and loss of units. However, if the population growth is going to progress as it did from 2019 to 2020, with a growth rate of 1.35, the county will need to build roughly 772 units a year. According to the BPS data and County data, the unincorporated county is beginning to reach this unit-threshold as of 2021 and 2022. Although there are positive signs of the county starting to keep up with demand, the number of units created is not itself enough to address the housing need, particularly for low-income households. An inclusionary housing ordinance would ensure that units at affordable homes to targeted incomes are added to the community as well.

Affordability Analysis

This section synthesizes different affordability measures as well as compare how market trends and household incomes stand up to these metrics. This will provide better context on the conditions of affordability within the Alachua County community.

To better contextualize economic characteristics, this section begins by introducing HUD and SHIP income limits which serve as a benchmark for affordable housing programs. In estimating median incomes HUD relies upon median family households' data, as opposed to median households' income data, to construct their limits. For 2023, the estimate for the household median income in the Alachua County HUD Metropolitan Fair Market Rent Area (HMFA) is $90,800, up from $85,600 in 2022. The following charts provide income and rent limits for SHIP program assistance and define AMI thresholds from 30%-140% for the range of household sizes.

Income Limit by Number of Persons in Household in Alachua County – 2023												
Alachua County		30%	18,200	20,800	24,860	30,000	35,140	40,280	45,420	50,560	Refer to HUD	
(Gainesville HMFA)		**50%**	**30,350**	**34,700**	**39,050**	**43,350**	**46,850**	**50,300**	**53,800**	**57,250**	**60,690**	**64,158**
		80%	48,550	55,500	62,450	69,350	74,900	80,450	86,000	91,550	97,104	102,653
Median:	90,800	**120%**	**72,840**	**83,280**	**93,720**	**104,040**	**112,440**	**120,720**	**129,120**	**137,400**	**145,656**	**153,979**
		140%	84,980	97,160	109,340	121,380	131,180	140,840	150,640	160,300	169,932	179,642

Table 12: HUD/SHIP Income Limits 2023

Rent Limit by Number of Bedrooms in Unit – 2023						
	0	**1**	**2**	**3**	**4**	**5**
30%	455	487	621	814	1,007	1,199
50%	758	813	976	1,127	1,257	1,388
80%	1,213	1,300	1,561	1,803	2,011	2,219
120%	1,821	1,951	2,343	2,706	3,018	3,331
140%	2,124	2,276	2,733	3,157	3,521	3,886

Table 13: HUD/SHIP Rent Limits 2022

Cost-burden

"Cost-burden" is a common standard that housing professionals and government agencies use to determine whether a household's monthly home payments are affordable. Often a household is considered "cost-burdened" if it spends more than 30% of its gross income on housing costs including the rent or mortgage payment, utilities, and property taxes and insurance as applicable. A household is "severely cost-burdened" if it spends more than 50% of its gross income on housing expenses.

The following is based on data from the Shimberg Center's Data Clearinghouse estimated using 2019 American Community Survey numbers interpolated for 2020. Though the data is a bit older than some of the other data used in this report it provides a good look at homeowner and renter households. The data estimates that 29% of households were low-income and cost burdened.

Cost Burden in Alachua County	Number of Households
Low Income, Not Cost Burdened	13,399
Low Income, Cost Burdened	28,695
Not Low Income, Cost Burdened	5,274
Not Low Income, Not Cost Burdened	50,645

Table 14: Shimberg All Cost Burdened Household 2020

More recent data on renters alone comes from the Shimberg Center's 2022 Rental Market Study and defines "cost burdened" as a household spending more than 40% of its gross income on housing costs. This higher threshold is used to better reflect the financial strain experienced by low-income households living in affordable housing units without rental assistance. The study estimates that out of roughly 24,237 low-income renter households (earning 80% or less of AMI), more than 50% are cost-burdened at the 40% level. When a household spends such a high proportion of their income on housing, it is difficult to save or have enough funds for healthcare, education, food, and an overall good quality of life.

Alachua Renter Cost Burdened Renters 2022			
	All Renters in Income Category	Cost Burdened (>40%) Renters in Category	% Cost Burdened
0-30% AMI	9665	7578	78.4%
30-60% AMI	10980	5761	52.5%
60-80% AMI	3592	886	24.7%
80.01 to 100% AMI	2570	(X)	(X)*
100.01 to 120% AMI	3847	(X)	(X)*
120.01 to 140% AMI	1900	(X)	(X)*
*** (X) indicates suppressed results where estimates are not statistically significantly different from zero. Where possible, missing values are included in data aggregated to a higher level, such as state totals. Therefore, totals for columns and rows with missing values will be higher than the sum of the numeric values that do appear.**			
Shimberg Center Rental Market Study 2022, 2023 Update			

Table 15: Alachua Renter Cost Burdened Renters 2022

Affordable and Available Rental Units

The Affordable and Available Analysis from the Shimberg Center evaluates the availability of affordable rental units for households at varying income levels. A rental unit is considered affordable and available for a household with a specific income threshold if the unit is affordable for that income level and is either empty or occupied by a household with an income equal to or lower than that threshold. The affordability threshold for a unit is defined as costing no more than 30% of the income at the top of the income threshold, adjusted for unit size.

Region	County	Affordable/Available Units Minus Renter Households					
		0-30% AMI	**0-40% AMI**	**0-50% AMI**	**0-60% AMI**	**0-80% AMI**	**0-120% AMI**

Gainesville, FL MSA (minus Gilchrist)	Alachua	-8,261	-8,260	-7,794	-4,874	3,923	6,357

Table 16: Shimberg Affordable and Available Table – Rental Market Study 2022, 2023 Update

This analysis shows that for Alachua County there is a shortage of affordable and available rental units at 60% AMI and below. An inclusionary housing ordinance targeted at producing rental units afford to at least the 60% AMI level would begin to address the deficit present in the county.

Income Growth compared to Median Housing Prices

Between 2016 and 2021, the median home sale price increased at a faster rate than median household income; homes prices increased over two times as much as income in this period. During this timeframe, median home sale prices experienced a 46% increase – from $150,397 in 2016 to $219,690 in 2021 – while median incomes saw a comparatively smaller rise of 19.2%. This disparity in growth rates highlights a serious affordability challenge in the housing market. With home prices rising much faster than incomes, many households may find it increasingly difficult to afford a home, potentially exacerbating existing socioeconomic inequalities. This data also does not consider the increased home prices since 2021.

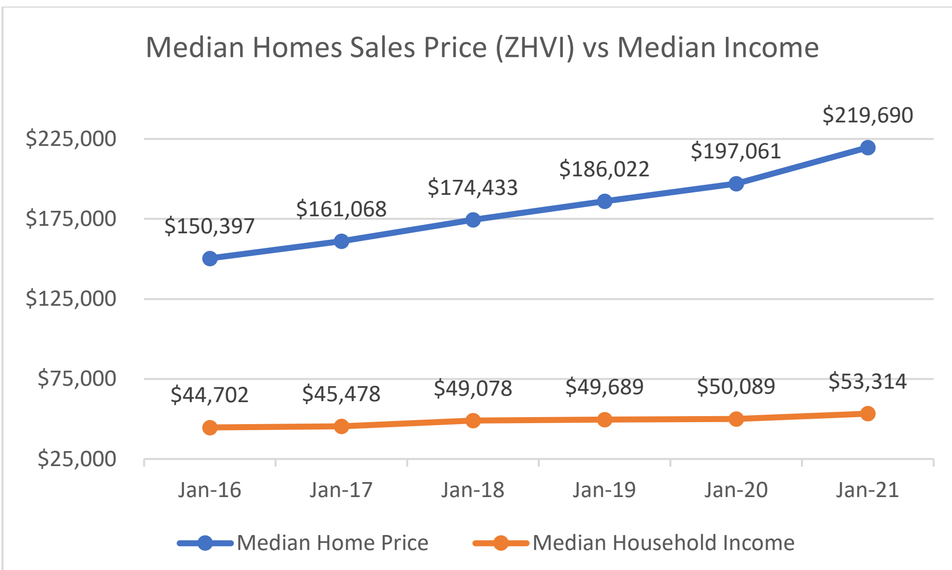


Figure 12: Median Homes Sales Price vs Median Income

Median Wages of Alachua County Occupations

The Bureau of Labor Statistics offers estimated occupational employment and wage statistics for the entire population in the MSA. According to the most recent data from 2022, there are more than 122,900 individuals employed across 335 detailed industry categories. The top 20 most common occupation groups, along with their respective median hourly and annual wages, are provided in the following chart.

Occupation Title	Employed	Hourly median wage	Annual median wage

Registered Nurses	6,020	36.83	76,600
Retail Salespersons	3,510	13.45	27,980
Fast Food and Counter Workers	3,350	11.81	24,570
Office and Administrative Support Workers, All Other	3,170	17.79	37,010
Office Clerks, General	3,100	17.79	37,010
Stockers and Order Fillers	2,950	15.37	31,980
Cashiers	2,850	12.48	25,960
Nursing Assistants	2,610	17.44	36,280
Waiters and Waitresses	2,580	13.30	27,650
Customer Service Representatives	2,430	16.97	35,290
General and Operations Managers	2,290	46.69	97,110
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	2,220	13.46	28,010
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	1,660	17.90	37,240
Maintenance and Repair Workers, General	1,600	18.80	39,100
Home Health and Personal Care Aides	1,390	12.96	26,950
Cooks, Restaurant	1,370	13.97	29,060
First-Line Supervisors of Office and Administrative Support Workers	1,260	28.08	58,410
Bookkeeping, Accounting, and Auditing Clerks	1,240	21.39	44,480
Business Operations Specialists, All Other	1,230	22.22	46,220
Industrial Truck and Tractor Operators	1,180	21.54	44,800

Table 17: Gainesville MSA 20 Most Common Occupations, BLS May 2022

To compare the wages of different occupations to local housing prices, we used a basic calculation that assumes a maximum purchase price of three times a household's annual income. While this rule of thumb may not perfectly reflect the individual circumstances of each household, it aligns with the standard debt-to-income (DTI) ratio rule and provides a rough estimate of what households in the area may be able to afford. However, it's worth noting that other factors, such as household debt, down payment size, and interest rates, also play a role in determining affordability. Hourly wages are estimated based on a standard assumption of 52 working weeks, 4.33 weeks per month, and a 40-hour workweek.

Alachua County Wage Needed to Afford Housing

Wage needed to afford median rental (ZORI)	$26.58
Wage needed to afford median sales price of a single-family home	$52.24
Wage needed to afford median sales price of a townhome	$28.04

Table 18: Estimated Wages Needed to Afford Housing

Of the top 20 most common occupations only three occupations General and Operations Managers, Registered Nurses, and First-Line Supervisors of Office and Administrative Support Workers meet the threshold to afford a rental unit based upon the ZORI index or afford to purchase a townhome on their sole income. While none of these most frequent occupations would support the purchase of a home at the median sales price.

Out of all the occupations in the MSA (Metropolitan Statistical Area) with detailed wage statistics provided, only ten occupation groups with an estimated 2520 employed, have a median income where a worker can to afford a home at the current median sales price ($52.24 hourly wage needed). This represents only 2.0% of the total employed population in the area. When considering the median sales price of townhomes, there are 89 occupation groups that have a total of 29,050 employed individuals that have median hourly wages high enough. This represents approximately 23.6% of the total employed population. The fact that nearly 80% of occupations have median wages insufficient to cover the cost of a median-priced single-family home or townhome reveals a significant affordability gap in the housing market. This indicates that homeownership may be unattainable for a majority of the workforce under current conditions.

Median Household Income compared to Median Housing Prices

The following section presents an analysis centered on HUD/SHIP AMI limits, examining the affordability of housing for low-income households in Alachua County in relation to the market trends discussed earlier. The initial chart offers insights into the affordability for low-income households by considering household sizes, income levels, hourly wage thresholds, estimated maximum purchase prices, and maximum monthly housing expenses as provided by HUD.

Income Level	Annual Income Limit (1 - 4-person household)	Hourly Wage, 1 full-time job	Hourly Wage, 2 full-time jobs	Max Purchase Price Affordable	Max affordable monthly housing cost (1 - 4-bedroom units)
30%	$18,200 - $30,000	$9 - $14	$11	$54,600 - $90,000	$487 - $814
50%	$30,350 - $43,350	$15 - $21	$11	$91,050 - $130,050	$813 - $1,127
80%	$48,550 - $69,350	$23 - $33	$12-$17	$145,650 - $208,050	$1,300 - $1,803
120%	$72,840 - $104,040	$35 - $50	$18 - $25	$218,520 - $312,120	$,1,951 - $2,706
140%	$84,980 - $121,380	$41 - $58	$25 - $29	$254,940 - $364,140	$2,276 - $3,157

Table 19: AMI Thresholds and Wages Needed to Afford Housing

The following table depicts the gap between what households at various AMI thresholds can afford and the median prices for single family homes, townhomes, rents (ZORI). Very low and extremely low-income households cannot afford housing units at median sales prices in 2021.

A low income, four-person household earning $69,350 a year can afford the median townhome and afford the median rent. This household would either need to have an earner making $33 per hour or have two earners earning at least $17 dollars per hour. However, attached, townhome-like options only make up 3.9% of the total housing stock and a household at this income level could not afford the median single-family home.

	Median Home vs Income at AMI $326,000		Median Townhome vs Income at AMI $175,000		Median Rent vs Income at AMI $1,598	
	1-person	4-person	1-person	4-person	1-person	4-person
30 - Extremely Low Income	-$271,400.00	-$236,000.00	-$120,400.00	-$85,000.00	-$1,111.00	-$591.00
50 - Very low income	-$234,950.00	-$195,950.00	-$83,950.00	-$44,950.00	-$785.00	-$341.00
80 - Low Income	-$180,350.00	-$117,950.00	-$29,350.00	$33,050.00	-$298.00	$413.00
120 – Moderate Income	-$107,480.00	-$13,880.00	$43,520.00	$137,120.00	$353.00	$1,420.00
140 – Middle Income	-$71,060.00	$38,140.00	$79,940.00	$189,140.00	$678.00	$1,923.00

Table 20: AMI Thresholds and Median Unit Price Affordability Gap

Change in Most Affordable Rental Units (2016 to 2021)	
Less than $500	-617
$500 to $999	-2,326
$1,000 to $1,499	1,021
$1,500 to $1,999	1,195

Table 21: Change in County of Most Affordable Rental Units

Change in Most Affordable Ownership Units (2016 to 2021)	
Less than $50,000	-206
$50,000 to $99,999	-712
$100,000 to $149,999	-584
$150,000 to $199,999	-1,003

Table 22: Change in County of Most Affordable Ownership Units

Affordable housing is becoming increasingly scarce in unincorporated Alachua County, posing significant challenges to low and extremely low-income households who are already struggling to afford median housing prices.

Report 2: Inclusionary Housing in Alachua County

Analyzing Capacity and Resources

This second report of the feasibility study for inclusionary housing in Alachua County analyzes 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 provides some background on mandatory and inclusionary housing programs, including parameters in Florida law for mandatory inclusionary programs. This overview is followed by general local considerations that may influence structuring and implementing an inclusionary program in the County. The following section evaluates 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 analyzes the County's options to offset costs via increased density allowances. Based on this analysis, this report then provides 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 summarizes these options.

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Main Takeaways

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.**

   Report 1 shows that the greatest housing need is experienced by households at 80% area median income (AMI) thresholds and below, particularly for rental units serving 60% AMI and below. For-sale units are quickly becoming unaffordable at 120% AMI and below. These income thresholds are greater than those explicitly targeted in the Comprehensive Plan language. 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." 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.

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.**
   Over the past several years, Alachua County has taken praiseworthy steps to remove barriers to building housing, adding by-right density increases for Traditional Neighborhood Development (TND), Transit Oriented Development (TOD), and Cottage Neighborhood (CN) Development if additional regulations are met. TND and TOD provisions also allow for multi-family housing types.

   A review of a sample of prior developments indicates some TND and CN developments have completely used all their allowed entitlements, and others have used most but not all their entitlements. Discussions with County planning and housing staff have indicated that there generally have not been many requests for land use amendments and re-zonings for additional density. One perspective offered during a discussion with a local developer indicated a potential limit to the desire for additional density due to the market desire for detached, single-family homes.

   This lack of requests for more density poses a challenge to implementing an inclusionary housing ordinance in Alachua County. Providing additional density or other land use benefits is the most successful tool a local government has to offset the costs of an affordable housing requirement and the fact that developers have not utilized existing incentives or requested land use changes is concerning for an IHO feasibility study.

   Given the prior increase in by-right density and housing type allowances in the past via TOD, TND, and cottage neighborhood regulations; the mixed results in terms of complete use of existing density in the cases of these developments reviewed; and indications from developers and staff of limited desire for additional density through requests for increases in Urban Cluster areas, it is not clear that use of a typical tool like a density bonus to incentivize and offset costs for an inclusionary requirement would be effective in Alachua County in the current market. In a situation where a developer opts to not select a density bonus as an incentive to “fully offset all costs” of an IHO requirement, the County may be put into a predicament where it needs to provide monetary incentives to reduce costs instead of using regulatory incentives. However, current or additional density bonuses may become more desirable with administrative allowances to build multi-family without a mixed-use requirement and if there is further market shift towards more dense, multifamily rental development.

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.**
   While the County has reported limited requests for additional density through land use amendments and rezonings, the County can still put a mandatory IHO requirement in place now for future land use amendments, rezonings, and Urban Cluster expansion requests with entitlement increases as market and build-out conditions evolve. IHO requirements should be coordinated between these options in view of growth management goals to focus urban densities in the Urban Cluster area, optimal use of infrastructure investments, and others.

   As noted in Report 1, most new construction in the unincorporated County for the past 10 years has been one- and two-family homes, which likely capture many units for sale. Consequently, any affordable housing strategy such as IHO that is tied to market-rate development in the County would need to apply not only to rental but also to 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.**

   4a. Establish density bonus.

   Given the mixed indications of potential desire for additional density from the density analysis completed and additional information gathered in this report, the County could pilot a by-right density bonus above and beyond what is offered with current TND and TOD density allowances through a voluntary program to gauge whether with a streamlined process of not having to do a land use/zoning amendment would encourage requests for additional density in exchange for provision of affordable units.

   4b. Provide funding and land with permanent affordability.

   The County can use existing public land in its inventory and land acquired through the recently passed one-cent surtax (see details in the appendix) for permanently affordable housing via a community land trust or other permanent affordability mechanism.

   4c. Remove non-residential requirement for TNDs and TODs.

   TND and TOD regulations have successfully provided greater density in exchange for a policy goal of mixed-use development. An affordable housing density bonus can be offered in the same vein as these TND/TOD incentives by amending regulations to include extra benefits for an affordable housing contribution.

TND and TOD regulations, put in place in 2009, offer a way through the base zoning regulations to include various housing types and additional densities beyond base residential-only regulations. If a density bonus were to be offered in return for affordable units with use of residential-only base regulations, particularly for areas with more restrictive densities and housing type allowances, there could be cases where use of the full density could require transitioning to building attached and multi-family units, depending on space needed to meet other land development regulatory requirements (e.g., stormwater management, parking, etc.). TND and TOD regulations allow for multi-family and help account for these considerations through base regulations, with additional regulations for non-residential requirements, multi-modal transportation, etc.

A key adjustment to the regulation to incentivize affordable housing is the removal of the non-residential requirement in TODs and TNDs in exchange for affordable units; this would essentially provide the density bonus available to TOD and TND developments without having to do a mixed-use residential/non-residential project. A sample of recent TND development had commercial square footage far below maximum allowed, which may suggest potential interest in a reduced requirement. County staff has also indicated potential developer interest in this option. This strategy should be used in coordination with an evaluation of commercial land distribution to ensure that affordable development still has access to commercial areas.

4d. Streamline/frontload public hearing and workshop requirements for developments with 25 units or more.

Required workshops and hearings on a project-by-project basis can significantly slow down the development review process, increasing time and costs required for a project. However, these sorts of inputs are critical to ensure a project meets local vision and goals. Consequently, workshops and hearings should be frontloaded to enable exemptions at least for affordable housing developments of 25 units or more from these requirements during the development review process, excluding those projects triggering workshops and BOCC involvement on a case-by-case basis for other reasons stated in the Land Development Code (LDC). This input can occur during the Comprehensive Plan, LDC, and affordable housing funding guideline update and amendment processes.

4e. Establish standard development fee and transportation mitigation cost offsets for affordable housing developments.

The County previously bought down impact fees with general revenue but did not continue this practice; the 2022 Incentives and Recommendations Report from the Alachua County Affordable Housing Advisory Committee provides direction to revisit this incentive for impact fees.

The County can implement a standard fee waiver or buy-down for developments with income-restricted units. Whether the County would consider a waiver without an offset from another revenue source should be discussed with the County Attorney, along with revenue needs for infrastructure and other general revenue impacts from provisions in the Live Local Act. This program can consider inclusion of fees such as impact fees, the mobility fee, development review and permit fees, and planning and land use fees. Policy 1.1.10 of the Transportation Element of the Comprehensive Plan has additional mitigation requirements for developments of greater than 1,000 dwelling units or 350,000 square feet of non-residential uses. The County can provide a cost offset aligned with the amount of required IHO units for these additional mitigation requirements where they apply.

Orange and Bay counties provide examples of buy-downs using State Housing Initiative Partnership (SHIP) funding; Manatee, Hillsborough, and Pasco counties provide examples of use of other funding sources for buy-downs, including funding availability from infrastructure surtax revenues.

4f. Consider additional incentives, including stormwater management support, facilitation of use of non-residential parcels for affordable housing, funding support, and site design flexibility:

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- Provide off-site stormwater management.
- Facilitate affordable housing development on commercial, industrial and mixed-use sites via Live Local Act (2023).
- Establish additional funding for manufactured/modular (the latter indicating no chassis) homes; this approach should be considered in view of current homeowner's association rules which may limit this housing type.
- Eliminate buffer requirements internal to IHO development and buffer/minimum lot size requirements for mixed-use development edge transitions.
- Remove/reduce setback requirements.
- Establish streamlined process to request additional requirement deviations and incentives.

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.**

5a. Evaluate locations for implementation of a "missing middle" housing zoning district.

With the changes to the CN development regulations in 2023 allowing only detached units, primarily due to concerns with compatibility with surrounding single-family neighborhoods, the County should evaluate where small-scale missing middle housing types such as duplexes, triplexes, and quadplexes should be allowed and promoted. This will expand options to meet a variety of housing needs in the areas of focus while not removing the option to build single-family homes. Locational scoring criteria included in this report can provide a starting point for identifying appropriate areas, as well as transition areas between larger scale multi-family districts, commercial districts, and other more dense/intense development to single-family neighborhoods.

5b. Remove ownership and locational barriers to accessory dwelling units (ADUs); consider tiered size caps between urban and rural areas.

Remove owner-occupancy requirements for properties with ADUs. Owner occupancy requirements may discourage development of ADUs, limit selling options for current owners, and dissuade prospective buyers. Permit ADUs by right wherever single-family homes are permitted by right, including higher density future land use categories and zoning districts where single-family homes are permitted. ADUs are currently permitted uses in Future Land Use categories ranging from Rural/Agricultural to Medium Residential (in terms of density). Consider a smaller size cap than the current 1700-square-foot cap for ADUs in the Urban Cluster area to maintain additional affordability through size.

5c. Additional opportunities for expedited review and more objective language for compatibility.

- Expand expedited review for affordable housing to the entire review process and all developments meeting income-restricted affordable development standards of the County.
- Establish objective terms for transitions between land uses and developments; address these regulations in the LDC as opposed to the Comprehensive Plan.

Background on Inclusionary Housing

Inclusionary Housing Basics

There are two main types of inclusionary housing ordinances (IHO), also called inclusionary zoning ordinances: 1) mandatory IHO and 2) voluntary IHO. A **mandatory IHO** is a land use policy that *requires* certain market-rate developments to set aside a number or percentage of units as affordable housing to income-eligible households. It is extremely rare for a mandatory IHO to apply to all new developments. 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.”

Here are the main elements of the typical mandatory IHO policy:

Applicability. What is the unit threshold that triggers the affordable housing requirement?	**Geographic Scope.** Which areas of the County will be subject to the affordable housing requirement? Whole jurisdiction? High-growth areas? Areas of high or low median household incomes?
IHO Requirement. What percentage or number of units must be affordable?	**Incentives.** What incentives can be used to fully offset all costs to the market-rate developer?
Term of Affordability. How long will the affordable units remain affordable?	**Exemptions.** What exemptions, if any, will be included in the IHO policy?
Alternative compliance methods. Can a developer satisfy their affordable housing requirement through a fee in-lieu or other alternative method?	**Pricing.** For ownership, how will pricing and resale be handled?
Program Administration. Who will be responsible for managing and monitoring the IHO program?	**Penalties.** What will the penalties be if a market-rate developer is not in compliance with their affordable housing requirements?

Mandatory IHO works best in areas with strong real estate markets where the value of producing additional market rate units will more than offset the costs of the required affordable units. Mandatory IHO is also most successful when local government has valuable regulatory incentives it can offer to market-rate developers in exchange for building mandated affordable units. In weaker markets where the local development industry does not need additional density or other regulatory incentives to build their product, mandatory IHO may be ineffective and actively stifle new development.

In contrast, a **voluntary IHO** *encourages* the private sector to provide affordable homes to income-eligible households with financial and regulatory incentives. As with a mandatory IHO, 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. Both mandatory and voluntary policies require staff capacity to run the program and an analysis of local development patterns and the existing regulatory structure.

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.

For example, a local government could provide only a density bonus for its voluntary IHO program, with language such as “The City will provide a 25% density bonus if the developer sets aside at least 10% of its units as affordable housing.” However, if market-rate developers are rarely building up to maximum densities to begin with, a density bonus by itself will be ineffective to truly incentivize affordable development; if a market-rate developer already has what they need to build their product, they will most likely leave the incentives on the table and not provide below-market rate units. In this example, additional work must be done to explore why it is that developers are not building up to maximum densities and if there are other development incentives, such as housing type flexibility, lot design standards, and fee reductions, that can truly entice the private sector to participate in the IHO program.

House Bill 7103 (2019) Requirements

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.[1] In 2019, House Bill 7103 passed and become law, which amended these state inclusionary zoning statutes.

House Bill 7103 continued to allow local governments to implement mandatory IHO but with a condition. If a city or county implements a mandatory inclusionary housing program, ss. 125.01055(4) and 166.04151(4) 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. The Coalition interprets these statutes to mean that a local government does not need to do a calculation to “fully offset all costs” if it implements a *voluntary* IHO. Here is the statutory language for counties at s. 125.01055 of the Florida Statutes:

125.01055 Affordable housing.—
(1) Notwithstanding any other provision of law, a county may adopt and maintain in effect any law, ordinance, rule, or other measure that is adopted for the purpose of increasing the supply of affordable housing using land use mechanisms such as inclusionary housing or linkage fee ordinances.
(2) An inclusionary housing ordinance may require a developer to provide a specified number or percentage of affordable housing units to be included in a development or allow a developer to contribute to a housing fund or other alternatives in lieu of building the affordable housing units.
(3) An affordable housing linkage fee ordinance may require the payment of a flat or percentage-based fee, whether calculated on the basis of the number of approved dwelling units, the amount of approved square footage, or otherwise.
(4) In exchange for a developer fulfilling the requirements of subsection (2) or, for residential or mixed-use residential development, the requirements of subsection (3), a county must provide incentives to fully offset all costs to the developer of its affordable housing contribution or linkage fee. Such incentives may include, but are not limited to:
(a) Allowing the developer density or intensity bonus incentives or more floor space than allowed under the current or proposed future land use designation or zoning;
(b) Reducing or waiving fees, such as impact fees or water and sewer charges; or
(c) Granting other incentives.
(5) Subsection (2) does not apply in an area of critical state concern, as designated by s. 380.0552.

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 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.

This report includes a regulatory review to identify incentive opportunities to fully offset costs as part of the feasibility analysis for mandatory IHO.

General Considerations for IHO and Additional Affordable Housing Strategies in the County

Target Affordability Levels

Both County policy and findings from Report 1 on housing needs inform potential affordability levels to target through IHO and other strategies. Policy 1.2.8 of the County's Housing Element in the Comprehensive Plan 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.

Findings from Report 1 indicate that significant need for housing extends into higher income brackets, as well. The report shows **the greatest housing need is experienced by 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**.

As noted earlier, deeper affordability requirements as part of a mandatory IHO program increase the amount of offset needed via incentives, unless share or number of required units is reduced.

Locational Considerations for Affordable Housing: Access to Amenities & Dispersion

As noted in the previous section, Policy 1.2.8 of the Comprehensive Plan includes direction to locate affordable units near major employment centers, high-performing public schools, and transit. Policies 1.1.1 and 1.1.4 also include proximity to services, shopping, and daycare facilities, as well as considerations for availability of land, availability of infrastructure, and promotion of infill opportunities. See the appendix for complete language of the policies referenced.

In conjunction with these access considerations, the Comprehensive Plan also includes direction to disperse affordability housing throughout the County (see Objective 1.1 and Policy 1.1.4 in the appendix). Dispersion of affordable housing has also arisen with the recent January 2023 public meeting regarding the proposed Dogwood Village development, due to concerns of concentration of affordable units in East Gainesville and a desire for more units provided in West Gainesville. Figure 1 relies on University of Florida Shimberg Center Assisted Housing Inventory data to show the current dispersion of units countywide. Many of these developments are in incorporated areas, particularly Gainesville.

Dispersion of affordable units via an IHO would depend on where market activity is occurring, assuming on-site provision of units is the main way developers would fulfill the IHO requirements. Figure 11 from Report 1 indicates that much of the recent development activity has been occurring in the western part of the County, indicating that more income-restricted units could come online in that area. Dispersion in the Gainesville incorporated area specifically would depend on any inclusionary program the City adopts, with the recently proposed program discussed further in the next section. Even without an IHO policy, locational criteria can still be incorporated into strategies, including land acquisition and new construction funding sources such as SHIP and infrastructure surtax revenues.

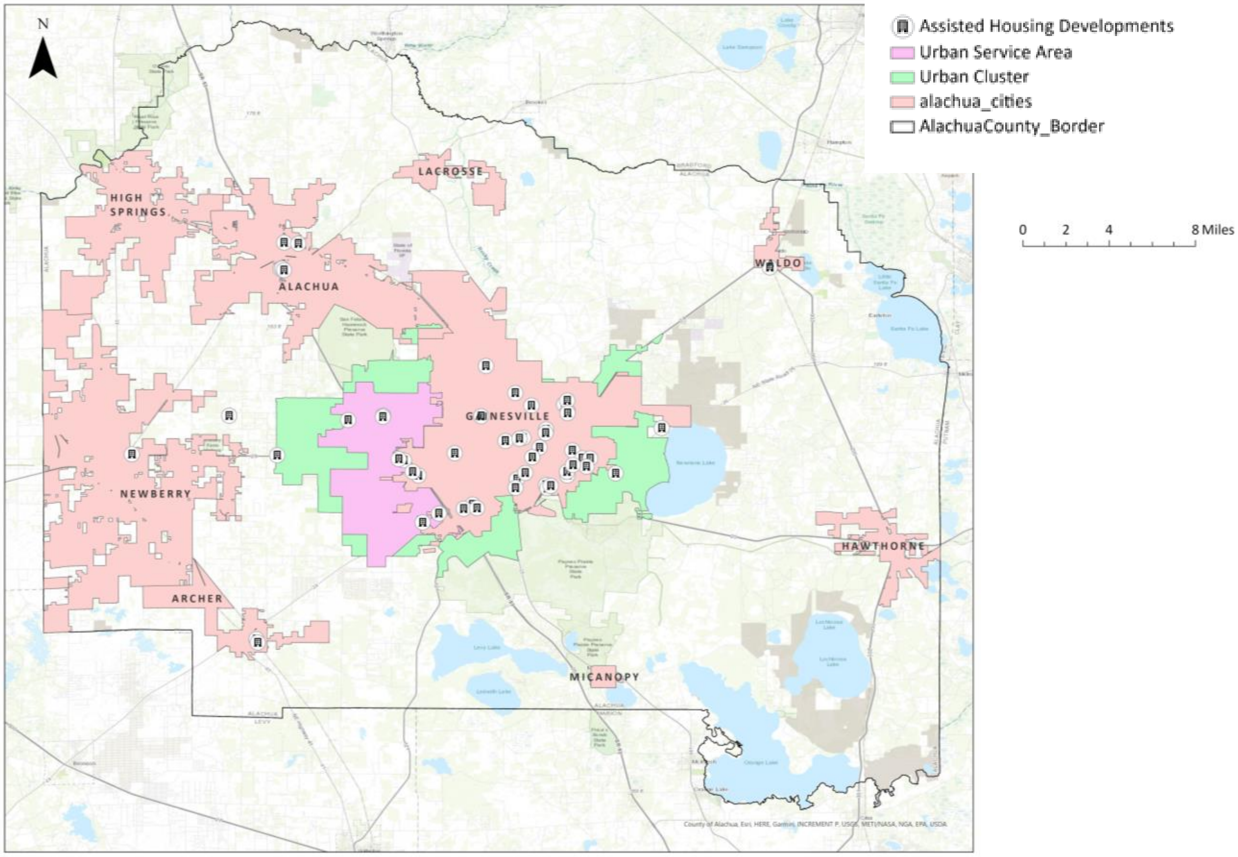

Figure 1: Assisted Housing Inventory in Alachua County

Gainesville Inclusionary Housing Efforts

The City of Gainesville is currently considering adoption of an IHO policy. Coordination between County and City IHO policies can help stem a “race to bottom” where developers are enticed to build exclusively in the areas that have less restrictive affordable housing requirements. The December 8, 2022 City Plan Board Meeting included agenda items on amendments to the Comprehensive Plan and LDC to establish a mandatory inclusionary program; proposed strikethrough/underline amendments to the LDC included but are not limited to the following provisions:

- Targets affordable units serving households at 80% of median income or below.
- Applies only to rental properties/developments with a residential component of 10 units or more (those with 9 units or less can voluntarily participate).
- Requires that 10% of units in a rental project be affordable.
- Requires an affordability period of 99 years.
- May allow an in-lieu fee option to comply.
- Allows density and height bonus for provision of affordable housing.

The 80% median income affordability threshold in the proposed Gainesville IHO language captures the income levels where there is particular rental need demonstrated in Report 1 and is inclusive of the income levels of focus for affordability in the Alachua County Comprehensive Plan language of the Housing Element (50% and 30% AMI).

As noted in Report 1, most new construction in the unincorporated County for the past 10 years has been one- and two-family homes, which likely capture many units for sale. Consequently, **any affordable housing strategy such as IHO that is tied to market-rate development in the County would need to apply not only to rental but also to for-sale units**.

As of the February 13, 2023 Affordable Housing Advisory Committee (AHAC) meeting, the AHAC is reviewing results from initial community engagement on inclusionary housing and will plan additional engagement.

Staffing Needs

IHO or any strategy resulting in an increase in income-restricted units that require administration such as income certification and compliance monitoring throughout the term of affordability will also require County staff capacity to administer the program. The amount of staff involvement depends to some degree on implementation approach, such as whether staff will directly complete these administrative tasks or whether they will be overseeing or auditing completion of these tasks by developers, property owners/managers, or third-party organizations.

Development Allowances, Trends & Opportunities

Future Land Use and Zoning Review

Alachua County has an Urban Cluster area designated on the Future Land Use Map that provides a boundary for urban development with relatively higher densities for residential development, generally served by urban services. As a result, most of the land outside the Urban Cluster is designated as Rural/Agriculture and Preservation future land use categories. Land within the Urban Cluster is predominantly designated for relatively low-density urban residential future land use categories, given the amount of land designated Estate Residential (density allowance of up to one unit per two gross acres) and Low Residential (density allowance between one and four units per gross acre).

However, the County's by-right land use policies and zoning regulations add a significant amount of flexibility to the base future land use categories and zoning districts:

- The County uses gross density to regulate density allowances, and single-family and multi-family base residential zoning districts do not have minimum lot size requirements. This approach facilitates flexibility in site planning.
- The predominant Low Residential future land use category allows attached single-family dwellings, zero lot line dwellings, and multi-family developments in planned developments, providing flexibility from detached single-family types that might typically be the only type allowed in relatively low-density categories.
- Additionally, the County has Traditional Neighborhood Development (TND), Transit Oriented Development (TOD), and Cottage Neighborhood (CN) policies and regulations. These provisions allow for additional maximum density allowances if other requirements for these developments are met. TND and TOD developments allow for multi-family housing types,[1] and requirements include a non-residential component of the development. Regarding CN development, in March

[1] Part III, Title 40, Chapter 410, Art. III of the LDC defines a multi-family dwelling as: "A residential building designed for or occupied exclusively by three (3) or more families, with the number of families in residence not exceeding the number of dwelling units provided."

of 2023, the Board of County Commissioners adopted LDC amendments to CN regulations due to neighborhood compatibility concerns. Amendments included, but were not limited to, allowing only detached units (removing prior allowances for duplex and triplex housing types), 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.

Table 1 highlights the housing type and density allowances for the primary residential future land use categories and Rural/Agriculture category for rural development. Note that several primarily non-residential zoning districts also have allowances for residential over commercial or, in the case of Business, Highway, adaptive reuse of hotels or motels to multi-family.

FLU Category	Housing Type Allowances	FLU Gross Density Allowances
Rural/Agricultural	Single-family homes, ADUs (latter excluded from density calculations)	1 unit/5 acres[1]
Estate Residential	Single-family homes, ADUs (latter excluded from density calculations)	1 unit/2 acres
Low Residential	Single residential detached and attached dwellings, ADUs (latter excluded from density calculations), attached structures including townhouses, multi-family developments in planned developments, dwellings with zero lot line orientation, factory-built modular units, manufactured homes, or mobile homes.	1-4 UPA
Medium Residential	Small lot single family residential detached and attached dwellings, and multi-family residential dwellings; ADUs (latter excluded from density calculations); various housing types, such as conventional, site-built single family dwellings, accessory living units, attached structures including townhouses, dwellings with zero lot line orientation, factory-built modular units, manufactured homes, mobile homes, or multi-family dwellings	>4-8 UPA
Medium-High Residential	Small lot single family residential detached and attached dwellings, and multiple family residential dwellings.	>8-14 UPA
High Residential	Small lot single family residential detached and attached dwellings, multiple family residential dwellings	>14-24 UPA
TND	Single-family detached, single-family attached, multi-family, assisted and independent living facilities are all allowable residential uses.	Outside transit supportive area: consistent with underlying land use category.

		Transit support area: min. 4 UPA or min. density of underlying land use category, whichever is greater Transit supportive area for TNDs not contiguous to planned Rapid Transit or Express Transit Corridor: max. of additional 4 UPA Transit supportive area outside of Village Center for TNDs contiguous to Rapid Transit or Express Transit Corridor: max. of additional 6 UPA Village Center for TNDs contiguous to Rapid Transit or Express Transit Corridor: max. of additional 8 UPA
TOD	Mixed housing types [based on language from other future land use category descriptions referencing TOD]	Outside transit supportive area: min. 3 UPA; max. consistent with underlying land use category. Inside transit supportive area, outside Village Center: 7-24 UPA Village Center: 10-48 UPA
Cottage Neighborhood	Variety of housing types and sizes available within the community to meet the needs of a population diverse in age, income, and household composition	2x max. UPA of zoning district designation

Table 1: Housing Type and Density Allowances by Rural/Agricultural and Residential Future Land Use Categories

[1]May be exceeded by use of Planned Developments with Transfers of Development (Future Land Use Policy 6.2.5.1)

IHO incentives are typically based on removing restrictive land use policies and zoning regulations, relative to what a market would provide, in exchange for the provision of affordable units. In other words, IHO often works when more exclusionary zoning is in place to remove. Additional density is typically a key incentive to offer. **As noted above, over the past several years, Alachua County has taken praiseworthy steps to remove exclusionary zoning, with some adjustments back to more restrictive zoning regulations in the case of CN development. While this approach may decrease opportunities to offset costs for and/or incentivize affordable units as part of a blanket IHO program, it may also indicate alternatives to a blanket IHO requirement as a way forward.**

The Insights from Recent Development: Incentive Capacity section later in this report will explore recent development activity to evaluate built density and requested density increases versus allowed densities to indicate the limitations (or lack thereof) of existing density allowances.

Potential IHO Outcomes

This section of the report builds on findings from Report 1 on development in the County to understand outcomes that might be anticipated from adopting an IHO based on past development trends and remaining development capacity.

Analysis included a review of permits since 2013 to indicate how many affordable units would have been produced during the past 10 years had an IHO been in place that applied. Since permits in the County often reflect individual phases of a development, this analysis compared permit titles to see where permits collectively would have amounted to at least 20 units. For example, if one phase of a development was permitted at 18 units during the timeframe of focus (2013 to present) and there was another phase of the development since 2000 that indicated another phase would have included at least 2 additional units, this analysis assumed that the IHO requirement would have applied to the 18-unit permit and any other permits related to that development issued during the timeframe of focus. If a 10% set-aside is assumed as a hypothetical requirement for affordable units as a share of total permitted units, then **633 affordable units would have been produced over the past 10 years** (out of a total of 6,337 units) across 44 permits.

Note that this analysis did not include permits for Celebration Pointe, a development of relatively large magnitude compared to others in the county. This development already includes an ad hoc voluntary inclusionary requirement written into the Comprehensive Plan: “Upon entering into an agreement with the County that guarantees 10% of additional units over 2,000 are affordable to households earning up to 50% of the Area Median Income, an additional 500 units may be approved.”

Findings in Report 1 suggest that much of the development activity over the past 10 years has been on the west side of the Urban Cluster area, with a vast majority of permits issued in the one- to two-family unit category and a strong predominance in the housing stock overall of single-unit detached homes. It is likely then that had an inclusionary housing ordinance been in place in the past, it may have generated income-restricted single-family units.

Looking towards the future, the 2019 Supporting Data & Analysis for the Evaluation & Appraisal Based Update of Alachua County Comprehensive Plan included a calculation of dwelling unit capacity for undeveloped lands in the Urban Cluster area, excluding approved yet unbuilt units. **Applying a 10% IHO requirement were applied to the 11,621 estimated number of dwelling units from the undeveloped lands in the Urban Cluster area, that would result in 1,162 affordable units.**

Insights from Recent Development: Incentive Capacity

This permit review also begins to provide insights on density of development, an important factor to understand if a density bonus, one of the typical and most robust incentives that governments offer to offset costs of an inclusionary requirement, would create a true incentive to offset costs in Alachua County's case. The overall density of units among the 44 permits that would have triggered the IHO requirement is 3.6 units per gross acre and most of the individual permits triggering requirements (59%) were also within a low-density range of one to four units per acre. Whether allowing further density would have enticed these developments to build more would be a factor of whether the low densities are due to direct limitations via the regulations, indirect limitations due to other land development regulations that must be met, factors related to market demand or perceptions of it (e.g., residents generally want to live in single-family homes), or other factors.

One factor in play may be the degree of project phasing; many permits during the past ten years mention individual phases of developments, so much recent permitting reflects overall development approvals that happened earlier, although amendments to the original approvals may have since occurred. Regulatory context, market demand, etc. may have been different at the time of the original approval. This factor may be significant in view of large developments approved. For example, Arbor Greens, Town of Tioga, and Oakmont planned developments all received permits for phases during the past ten years, as well as earlier permits; these developments were approved for 660, 537, and 999 units, respectively.

Looking at TND and TOD developments during this timeframe takes these considerations a step further. TND and TOD regulations, put in place in 2009, offer a way through the base zoning regulations to include various housing types and additional densities beyond base residential-only regulations. Additionally**, if a density bonus were to be offered in return for affordable units with use of residential-only base regulations, particularly for areas with more restrictive densities and housing type allowances, there could be cases where use of the full density could require transitioning to building attached and multi-family units, depending on space needed to meet other land development regulatory requirements (e.g., stormwater management, parking, etc.). TND and TOD regulations allow for multi-family and help account for these considerations through base regulations, with additional regulations for non-residential requirements, multi-modal transportation, etc.** Looking at TND and TOD permits, including developments with TND and TOD intent that were approved prior to the formal regulations, may provide an initial indication of the level of interest in using these provisions moving forward. Additionally, looking at density and square footage used by newer developments in view of what was allowed and required can indicate if there is capacity for additional density bonus or non-residential requirement flexibility to incentivize affordable housing units as part of the process.

Of the permits to which an IHO requirement would apply if a mandatory requirement were in place, 19 (43%) were TND or TOD development based on documentation provided by staff, mentions of TND or TOD in the permit name, and/or mention of TOD or TND standards in related planned development documents, where applicable. Most of these TOD and TND permits had a gross density in the low-density range of one to four units. However, if this degree of development were to continue in the future with the aim of being TND and TOD, these developments would have current additional TND and TOD density allowances available as long as they met the associated site design requirements, if they didn't already have the new allowances to use at time of approval. In short, if TND and TOD developments, which were a significant share of permits associated with development that would have triggered our hypothetical IHO requirement, were low density due to direct density limitations in the past, that may be relieved at least to some degree by current additional by-right allowances (with associated site design requirements). One of the recommendations of this report is to incorporate incentives to build affordable units into the TND/TOD structure.

In practice, density is regulated at level of the development as a whole and IHO requirements, if adopted, likely also would be regulated for an entire development, so that phasing would not be a way to avoid requirements. To help address analysis of density use at the level of entire developments and not just permits that might contain only one phase, analysis included review of a sampling of development approval documentation. Figure 7 of the County's 2019 Evaluation and Appraisal Report supporting data and analysis document included a review of acreage, units, and gross density of approved TND and TOD developments (see Table 2 below).

The project team then compared the approved gross density to allowed gross densities, which are regulated by sub-area (village center, transit supportive area, outside transit supportive area) for TNDs and TODs. For three recent TND developments (23 West TND, Newberry Park TND, and Park Avenue TND), the entirety of the development for each was encompassed by the "Village Center" sub-area, which permits the highest density allowances of all the TND sub-areas. This arrangement allowed for the comparison of the village center density allowance and the approved gross residential density overall for the developments. 23 West TND used the maximum allowance of eight units per gross acre; Newberry Park TND and Park Avenue TND developments used much but not all the permitted allowance (10 units per gross acre of 12 permitted and 11 units per gross acre of 12 permitted, respectively; see Table 3).

This review included non-residential square footage of final approved development relative to what was allowed via the Preliminary Development Plans and regulatory maximums allowed for non-residential development. The table shows that the amount of non-residential square footage for approved development in all three of these TND cases was significantly lower than the regulatory maximums allowed.

The project team also reviewed recent cottage neighborhood developments; the County codified regulations for these development types in 2018, allowing at the time for additional small-scale duplex and triplex housing types and density through base regulations (yet recently repealing these housing type allowances). Of the two cottage neighborhood developments approved since adoption of the regulations (Table 4), one used all the allowed density, and one did not.

This review of TND and CN developments thus indicates a mix of complete and partial use of allowed density; the former may have benefited from additional density allowances, but others may not have. The non-residential square footage final approval for non-residential square footage in TNDs indicates that additional non-residential allowances may not provide an incentive for affordable housing, but removing requirements where affordable housing is provided may. The mapping analysis in Future Development Opportunities for IHO includes mapping of commercial areas to indicate existing availability and distribution of commercial that would ensure access to daily needs if this requirement were removed from a TND/TOD development on site.

Name	Construction Permits Issued	Future Land Use Category	Acres	Non-Residential (sq. feet)	Residential Units	Gross Residential Density
23 West TND	Yes	Res. Low	22	42,400	174	7.9
Celebration Pointe TOD	Yes	Mixed Use	244	896,000	1,772	7.3
Dogwood Park TND	No	Res. Low	25	184,750	224	9.0
Lugano TND	Yes	Res. Low	145	127,000	460	3.2
GWR TND Jonesville	No	Res. Low and Med.	130	30k - 90k	246 - 653	1.9 - 5.0
Multerra TND	No	Res. Low	25	22,000	228	9.1
Newberry Park TND	Yes	Res. Low	31	27,650	300	9.7
Park Avenue TND	Yes	Res. Medium	28	14,250	298	10.6
Springhills TND/TODs	No	Mixed Use/ Activity Center	388	1,668,500	1,509- 3,296	3.9 - 8.5
TOTALS			**1,038**		**5,211 - 7,155**	**5.0 - 6.9**

Source: Alachua County G.I.S. and Development Plan Database, March 2019

Table 2: Density of Approved Traditional Neighborhood Developments and Transit Oriented Developments

Note: an additional 12 units were added in phase 2 of the Park Ave TND, which have been included in calculations for Table 3.

TND Development	Future Land Use Category	Contiguous to rapid or express transit?	Max. Density Allowed (Village Center)	Gross Residential Density for Final Approved Development	Max. Allowed Non-Residential Sq. Ft. (based on Staff Reports)	Sq. Ft. of Non-Residential for Final Approved Development
23 West TND	Low Density Residential (1-4 UPA)	N	8	7.9	94,800 approved per Preliminary Development Plan, consistent with regulatory max.	42,400
Newberry Park TND	Low Density Residential (1-4 UPA)	Y	12	9.7	150,000 approved per Preliminary Development Plan, consistent with	27,650

					regulatory max.	
Park Avenue TND (Phases I and 2)	Medium Density Residential (4-8 UPA)	Y	12	11.2[1]	30,000 approved per Preliminary Development Plan; 97,750 regulatory max.	14,250

Table 3: Density and Square Footage Allowances and Approvals for TND

[1] An additional 12 units included in phase 2 of Park Ave TND have been included in these calculations.

Cottage Neighborhood Development	Future Land Use Category	Zoning	Max Density Allowance (2X zoning)	Development Density
88th St Cottages	Low Density Residential (1-4 UPA)	R1-A	8	7.8
Lanata Cottages	Residential 2-4 UPA	R1-A	8	6

Table 4: Allowed and Approved Density for Cottage Neighborhood Developments

The TND and CN review sample is small for drawing conclusions on these developments alone, but it provided a base for integrating additional insights from developers and staff on density usage in practice. One perspective offered during a discussion with a developer indicated a potential limit to the desire for additional density due to the market desire for detached, single-family homes. For a developer primarily focused on delivering this product, there may not be a desire to get into attached and multi-family housing types. Some additional use of density might occur through approaches such as being able to manage stormwater off-site. Additional input from this discussion indicated, however, a potential interest in Urban Cluster expansions, which provide an alternative way of increasing entitlements and could be tied to affordable housing requirements.

Discussions with County planning and housing staff have indicated that there generally have not been many requests for land use amendments and re-zonings for additional density. This lack of requests for land use changes poses a challenge to implementing an inclusionary housing ordinance in Alachua County. Providing additional density or other land use benefits is the most successful tool a local government has to offset the costs of an affordable housing requirement, and the fact that developers have not utilized existing incentives or requests land use changes is concerning. However, staff have also indicated that developers have expressed interest in potentially building TND or TOD development without the non-residential requirement.

Given the prior increase in by-right density and housing type allowances in the past via TOD, TND, and CN regulations; the mixed results in terms of complete use of existing density in the cases of these developments reviewed; and indications from developers and staff of limited desire for additional density through requests for increases in Urban Cluster areas, it is not clear that a typical density bonus to incentivize and offset costs for an inclusionary requirement would be effective in Alachua County. The following sections evaluate remaining avenues for inclusionary housing requirements;

these options include alternatives for providing robust entitlements and resources on the condition of mandated affordable housing provision, as well as a voluntary IHO option for removing non-residential TND and TOD requirements in exchange for affordable units.

Future Development Opportunities for Affordable Housing

As the last section showed, a limiting factor to an effective blanket IHO approach in Alachua County may be the lack of desire for additional density from what is already allowed, which is a typical and robust incentive used to offset costs for IHO. In view of this finding, even if the County has capacity for additional development where it could require affordable units, it likely would not have this typical tool to meet cost offset requirements or effectively incentivize use of a voluntary program. Consequently, the County may need to turn to a more targeted consideration of requiring affordable units with alternative avenues for providing robust incentives. Those approaches include the following:

- Provision of government-owned land in exchange for significant provision of affordable units, which can be coordinated with use of the County's new surtax money for land acquisition for affordable housing;
- Land use amendments and rezonings for additional density that may be desired eventually;
- Urban Cluster expansion requests or development outside the Urban Cluster where a complete, mixed-use community will be provided; and
- Expedited development approvals, including reducing the number of public hearings as applicable.

This section provides a scoring approach that can help inform land acquisition, funding use, and land use amendment decisions incorporating additional density to optimize location of affordable units in the implementation of the above strategies; this includes application of scoring to agricultural land that may be particularly well located for affordable housing provision if it underwent a land use amendment.

Overall scoring of County parcels can also help inform certain by-right approaches the County might consider outside of strategies for income-restricted units. Given the recent changes to the CN regulations to remove duplex and triplex allowances, the County might consider where a zone allowing missing middle housing types would be appropriate, with the locational criteria providing a starting point.

This section also includes direction on evaluating land zoned for commercial, industrial, and mixed-use where the County might facilitate use of new Live Local Act and amended HB 1339 statutory tools to increase affordable housing development. Commercial areas reviewed can also help illustrate the potential for flexibility for commercial regulatory requirements of TND and TOD developments that could promote use of mandatory and voluntary IHO programs if adopted. If access to commercial can be adequately met through existing development and more limited inclusion of commercial in future development (accounting for those developments that may provide affordable units in lieu of the commercial component of the development), that can support removal of commercial requirements as an incentive for affordable units.

Scoring Criteria

To develop locational scoring criteria to inform land acquisition and funding usage for new construction, a set of eight factors were employed to rank each parcel in the unincorporated county, with weights assigned based on the Florida Housing Coalition's expertise. The final factors used for ranking parcels include those found in Table 5.

Variable	Source	Parameters	Weights
Distance from Job Concentrations	LEHD	Within 1 mile of a job concentration	1
Transit Stop	County Data	.25-mile buffers around transit stops.	1
Medical Facility	County Data	3-mile buffer from a medical facilities	1
Fire Station	County Data	Within 3-mile “as the crow flies” from a fire station	2
Proximity from Protected Areas	County Data	.5-mile buffer away from Preservation Lands	2
Sewer and Water	County Data	Within .25 miles of Sewer	2
Urban Cluster Area	County Data	Within UCA	3
Road Proximity and Current Road Use	County Data	.1-mile buffer from a major road	3

Table 5: Factors for Locational Scoring Criteria

Parcels were given points of either zero or one based on these variables, resulting in the factor maps depicted in Figure 2. For each parcel these points were total and weighted with multipliers of 1, 2, or 3 based upon ranked importance.

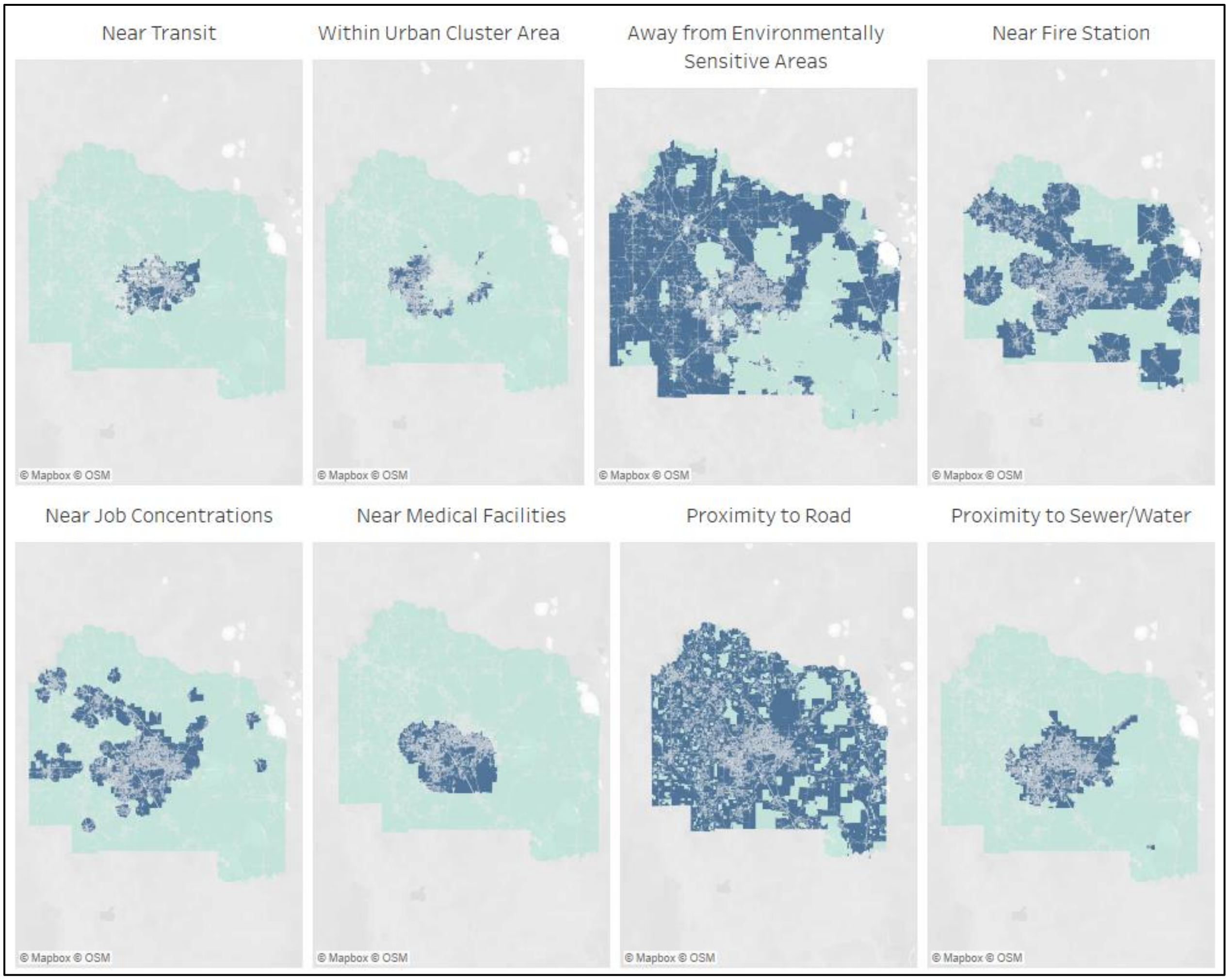

Figure 2: Ranking Factor Maps

Factor totals and priority multipliers resulted in scores for each parcel from 0 to 14. A score of 0 denotes parcels that meet no criteria and that are less of a focus for targeted land acquisition, investment, and incentives for affordable housing, as well as potential targeted by-right entitlement increases; a score of 14 denotes parcels that meet all the chosen criteria for desirable location. These final scores result in the final ranked parcel map in shown Figure 3, the Alachua County Parcel Ranking Map. The map visualizes scores using a red-blue scale, with dark blue indicating a positive and red representing negative. To the right of the map are a series of filters that allow the viewer to target parcels based upon score, building value, acreage, or zoning category. The map reinforces the Urban Cluster, particularly near Gainesville, and Urban Cluster surroundings as prime locations.

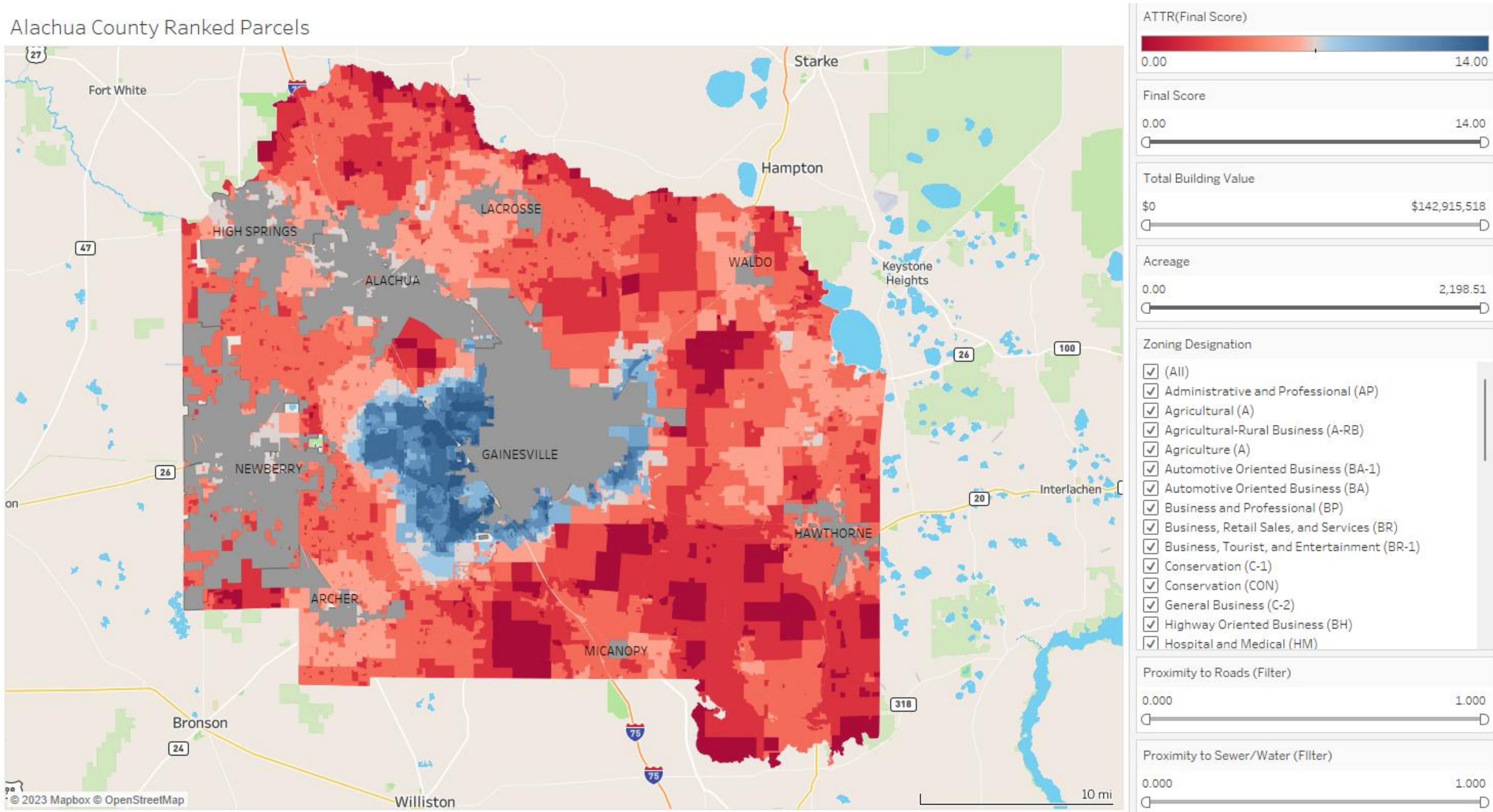

Figure 3: Ranked Parcels Map

https://public.tableau.com/app/profile/flhousing/viz/AlachuaCountyParcelRankingMap/AlachuaCountyRankParcelsDraft3_1?publish=yes

Agricultural Parcels Analysis

Agriculturally zoned parcels present an opportunity for the future of development expansion by way of land use change, rezoning, and inclusion in the Urban Cluster. The ranking threshold for agricultural parcels that are moderate to high opportunity sites is at a range of 5 to 14, which includes properties which may be desirable for residential development in the next 10 or more years as parcels with current residential zoning and within the Urban Cluster are built out. This timescale might not be the only pattern by which this land gets developed, however. Developers may propose land use amendments and master planned communities for large rural parcels outside the Urban Cluster; approval of such plans would ultimately be at the discretion of the Board in consideration of goals related to growth management and affordable housing location/amenity access.

The highest scoring agricultural parcels, 8 and above, are shown in blue in

. These parcels tend to either be within the Urban Cluster or lie just beyond the Urban Cluster border. There are numerous agriculturally zoned parcels further out beyond the edge of the Urban Cluster that rank at 5-7.99 on the ranking scale and present a moderate appropriateness depicted in red-orange to grey. One such example of land that has developed in this way is the Flint Rock Agrihood development, which scores a 6 by the ranking methodology and is currently in the process of selling homesites at the size of .99 to 1.69 acres of its 250-acre property. This project is just outside the Urban Cluster line, near to other residential subdivisions such as Oakmont and Haile Planation, with a Rural/Agriculture zoning designation. The site is developed as a clustered subdivision, preserving 50% of the site as preservation which will be purchased by the Alachua County Conservation Trust.

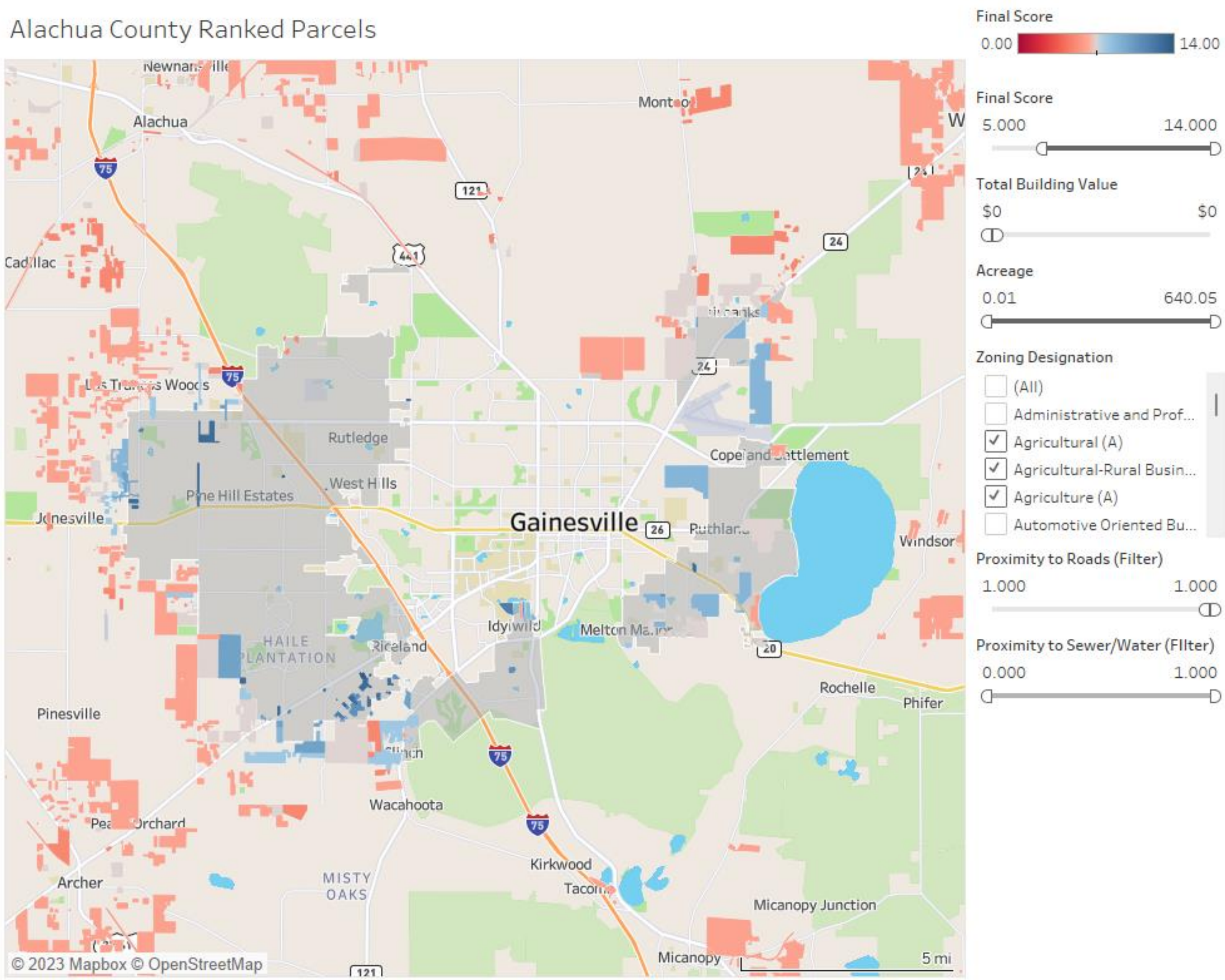

Figure 4: Agricultural Ranked Parcels

Another example of agricultural lands being looked at for future development are 4,068 acres owned by FCL Timber, Land, & Cattle which has undergone a Special Area Study to investigate the future of development on the site. One alternative that the study recommends is a master planning scenario where a special Future Land Use Map designation and policies are established as an alternative to expanding the Urban Cluster. Staff recommendations include that "the Special Area Plan shall provide for the contribution of a minimum of 50 acres of land to Alachua County or its designee, specifically designated for the provision of affordable housing targeting 50% to 80% AMI, within the development areas of the property." While the Special Area Plan does not appear to be going forward at this time, the scenario where large property owners become ready to plan for development on their land is to be expected to continue as time goes on. Land use amendments and rezonings for agricultural parcels that are ripe for development is an incredibly opportune time for the County to seek public benefits, such as affordable housing, in return. The County needs to weigh requests for these developments with growth management and access goals; this locational analysis has shown that parcels in and near the Urban Cluster line are well suited to meet these aims.

Commercial, Industrial, and Mixed-Use Zones

The Live Local Act introduces new land use standards for specific affordable housing developments in commercial, industrial, and mixed-use zones, as outlined in s. 125.01055(7)/166.04151(7) of Florida Statutes. This required allowance lasts for 10 years. Local governments are restricted from regulating the use, density, or height of affordable housing projects if the proposed rental development is multifamily or mixed-use residential, situated in an area zoned for commercial, industrial, or mixed-use, and at least 40% of the units are designated as affordable for households earning up to 120% of the Area Median Income (AMI) for a minimum of 30 years. If mixed-use, a minimum of 65% of the development must be residential.

Use, density, and height standards that apply to projects meeting these conditions include:

- Multifamily rental use or mixed-use allowance in commercial, industrial, or mixed-use zones without a zoning or land development change;
- A maximum density of the highest allowed density in the jurisdiction where residential development is allowed; and
- A maximum height of the highest currently allowed height for a commercial or residential development in the jurisdiction within 1 mile of the proposed development or 3 stories, whichever is higher.

While other State and local laws, such as setbacks, parking, concurrency, maximum lot coverage, and environmental regulations, still apply and can indirectly affect density and height, projects that adhere to existing multifamily land development regulations and are consistent with the comprehensive plan must be administratively approved. Local government must consider reducing parking requirements to the greatest extent possible for developments approved with this tool if the development is located within a half-mile of a transit stop.

One caveat to this tool for counties is that if the proposed project is in an unincorporated area zoned for commercial or industrial use within boundaries of a multicounty independent special district 1) created to provide municipal services, 2) not authorized to levy ad valorem taxes, and 3) with less than 20% of land in that district designated for commercial or industrial use, then only mixed-use residential is allowed with this tool in those commercial and industrial areas.

The County should consult its attorney to confirm a statutory interpretation of this new act to identify eligible parcels for use of this tool, including the revised language in sections of the act that were adopted via HB 1339 in 2020. Further, it can look at the vacant or underused subset of these parcels to determine which parcels may be better positioned for development or redevelopment resulting in affordable units with use of this tool.

Lastly, evaluation of existing commercial parcels and other parcels zoned for commercial can provide an indication of current and future availability and distribution of commercial uses. This analysis will help inform whether removing TND and TOD non-residential requirements in exchange for affordable units will still ensure access to key commercial uses for those units.

IHO & By-Right Options for Affordable Housing

Opportunities for Mandatory Inclusionary Housing

This section provides options for how the County can "fully offset all costs" of an affordable housing mandate to create a mandatory IHO program that is compliant with State law. The most productive way to "fully offset all costs" is to allow developers to build more market-rate units than currently allowed. A challenge arises, however, if a developer does not want or need additional allowances to build their product. When extra market-rate units are not sought or desired, the County would then need to provide other incentives, such as land or subsidy, to "fully offset all costs" under State law.

Land Use Amendments and Rezonings for Additional Density

While discussions with County planning staff have indicated limited land use amendments and re-zoning for additional density, mandatory inclusionary housing requirements can be put in place to ensure provision of affordable units if conditions evolve to a point where developers apply for these changes in the future. For example, the County could enact a policy where affordability requirements would only be triggered when a rezoning, comprehensive plan amendment, or other increase in allowable units is requested.

Urban Cluster Expansion

The County can incorporate affordability requirements whenever a request to expand the Urban Cluster is made. For example, if a property owner wants to expand the Urban Cluster, the County could approve that request with the condition that the property contains a set percentage or number of income-restricted units. In support of this strategy, the County can amend the Comprehensive Plan to include language to permit land with Future Land Use designations of Low Density and Medium-High Density only in the Urban Cluster, with exceptions for anything already designated outside of it. This language is already included in the Future Land Use Element of the Comprehensive Plan for Medium Density and High Density designations.

Future Land Use Policy 7.1.3 already includes affordable housing as one consideration for expanding the Urban Cluster, supporting the connection between affordable housing provision in proximity to services and amenities. The affordability impact of this sort of expansion can be increased and further guaranteed by including a requirement for inclusion of income-restricted units.

This should be coordinated with any requirements considered for land use amendments and rezonings since an Urban Cluster expansion would likely be accompanied by one of those approvals at some phase in development. Additionally, the County may want to consider how affordable housing requirements and related incentives for Urban Cluster expansions compare to those offered for land use amendments and re-zonings for additional density within the existing Urban Cluster, in conjunction with County goals of growth management, optimal use of infrastructure investments, housing type variety, etc.

Additional Incentives for Affordable Housing Generally, Including Voluntary IHO

The County can provide these options for affordable development regardless of whether it occurs through a mandatory or voluntary IHO provision. Incentives offered should reflect the number of affordable units, affordability level, or degree of other contribution provided by the development.

Establish Density Bonus

Given the mixed indications of potential desire for additional density from the density analysis completed and additional information gathered in this report, the County could pilot a by-right density bonus above and beyond what is offered with current TND and TOD density allowances through a voluntary program to gauge whether with a streamlined process of not having to do a land use/zoning amendment would encourage requests for additional density in exchange for provision of affordable units. This decision should be considered in conjunction with new land use standards for density introduced via the Live Local Act for eligible affordable housing projects.

Provide Funding & Land with Permanent Affordability

Given the limitations with a traditional density bonus, where an Urban Cluster expansion, land use amendment, or rezoning may not be sought, the County can provide publicly owned land as an incentive for significant affordable housing provision. The County can use existing public land in its inventory and land acquired through the recently passed one-cent surtax (see details in the appendix) to this end and can incorporate permanent affordability via the community land trust operating locally.

Additionally, this effort can be coordinated with the recently passed Live Local Act, which requires inclusion of dependent special district land in analysis to create an inventory of land suitable for affordable housing, as well as a property tax exemption for land owned entirely by a nonprofit with a 99-year ground lease (such as a community land trust) to provide affordable housing developments meeting certain criteria.

This approach will help retain affordable units and promote the longevity of use of public subsidy; given how robust this incentive is, it should be matched with robust depth and longevity of affordability. The Penny for Pinellas program in Pinellas County provides a model (tied to voluntary affordable development) to guide this effort.

Remove Non-Residential Development Requirement for TNDs and TODs

The County can provide the option of removing the non-residential component requirement in TODs and TNDs in exchange for affordable units; this would essentially provide the density bonus available to TOD and TND developments without having to do a mixed-use residential/non-residential project. Sec. 407.64(d)(2) of the LDC currently requires at least 10,000 square feet along with 50 square feet per dwelling unit of non-residential development for TNDs. Sec. 407.65(d)(2) related to TODs includes a minimum requirement of 10,000 square feet along with 100 square feet per dwelling unit. As shown earlier in this report, some of the recent TND developments had commercial square footage far below the maximum allowed, which may suggest potential interest in a reduced requirement. County staff has also indicated potential developer interest in this option. This strategy should be used in coordination with an evaluation of commercial land distribution to ensure that affordable development still has access to commercial areas.

Streamline/Frontload Public Hearing & Workshop Requirements for Developments with 25 Units or More

Streamline approval for residential developments of 25 units or more by front-loading public workshops and hearings (excluding those triggering workshops and BOCC involvement on a case-by-case basis for other reasons stated in the LDC) into Comprehensive Plan, LDC, and affordable housing funding guideline update and amendment processes; remove additional neighborhood workshop and hearing requirements in these cases.

LDC Sec. 402.44 provides development thresholds at which BOCC consideration and action is required for the preliminary development plan. These thresholds are as low as 25 units for single-family residential, multi-family residential, and TND/TOD development. LDC Sec. 402.12 requires a neighborhood workshop and other forms of public notice for developments exceeding thresholds.

Establish Standard Development Fee and Transportation Mitigation Cost Offsets for Affordable Housing Developments

The County can implement a standard fee waiver or buy-down for developments with income-restricted units. Whether the County would consider a waiver without an offset from another revenue source should be discussed with the County Attorney, along with revenue needs for infrastructure and other general revenue impacts from provisions in the Live Local Act (discussed further in Issues to Address By-Right for Market-Rate Units section). This program can consider inclusion of fees such as impact fees, the mobility fee, development review and permit fees, and planning and land use fees. Policy 1.1.10 of the Transportation Element of the Comprehensive Plan has additional mitigation requirements for developments of greater than 1,000 dwelling units or 350,000 square feet of non-residential uses. The County can provide a cost offset aligned with the amount of required IHO units for these additional mitigation requirements where they apply.

The current Local Housing Assistance Plan (LHAP) indicates that general revenue was used to offset impact fees previously, but the County decided to no longer continue this due to “budgetary considerations and lack of effectiveness at achieving affordable housing.” However, the 2022 Incentives and Recommendations Report from the Alachua County Affordable Housing Advisory Committee provides direction to revisit this incentive for impact fees: “AHAC recommends the Board of County Commissioners reduce or eliminate Impact Fees for non-profit developers of affordable housing no later than 2024 in conjunction with the Impact Fee Study.”

As noted, the County offset these costs previously using general revenue, which is also a strategy used by Manatee County. Manatee County uses these funds to pay 100% of County impact fees, educational facilities impact fees, and facility investment fees for qualifying affordable housing with at least a 25% set-aside of affordable units. Hillsborough County buys down up to 100% impact fees for parks, roads, right-of-way, and fire rescue service for eligible affordable housing projects, with authorization to allow school impact fee relief. These buy-downs are funded with municipal service taxing unit revenues, with an annual cap on total relief provided to multifamily projects of $800,000.

Additionally, several jurisdictions use SHIP funds to offset these fees, as well, a strategy which could be considered in the next LHAP update. Orange County and Bay County provide examples of a stand-alone impact fee incentive strategy (as opposed to integrating into an existing affordable housing construction incentive), with the following terms:

Orange County:

- Max award: $25,000 per unit (up to 100% of fees can be paid for depending on income served)
- Term: 10 years; fully deferred & fully forgivable if loan in good standing
- Interest rate: 0%
- Like Orlando, must provide documentation that impact fee payments reduce sales price
- Eligible housing: For-sale units. Single family, condos, townhomes

Bay County:

- Max award: $7,500
- Term: 3 years; fully deferred & fully forgivable if loan in good standing
- Interest rate: 0%

The County's one-cent surtax money can also provide a source to offset costs for transportation, fire service, and parks impact fees in alignment with permitted expenditures of the surtax revenues. Pasco County staff in previous correspondence has indicated that infrastructure surtax revenues are available as a source for mobility fee buy-downs for affordable housing.

The County currently has a fee study underway; fee increases considered in the study may provide additional incentive capacity through this avenue.

Provide Off-Site Stormwater Management

On-site stormwater management can require significant space on a development site, potentially limiting achievable density. The County can evaluate feasibility of allowances and investments such as land acquisition for centralized off-site stormwater management for an area to facilitate development of additional housing units with inclusion of affordable units.

Facilitate Affordable Housing Development on Commercial, Industrial & Mixed-Use Sites via Live Local Act

Funding, land, and incentives can be tailored to further use of land use provisions in the Live Local Act to promote affordable housing development on sites zoned for commercial, industrial, and mixed use, as described earlier in this report. This may include identifying interested property owners or eligible sites and coordinating with them to facilitate use of the tool, clarifying applicable site development standards for these sites based on the Live Local Act standards, and further evaluation of applicable regulations aside from those addressed in the Live Local Act to facilitate and guide use of the tool for affordable housing development and other local goals.

Establish Additional Funding for Manufactured/Modular Homes

Given limitations for funding manufactured homes via the SHIP program, identify and/or establish additional funding sources to support production of this housing as affordable units. This approach should be considered in view of current limitations on this housing type that may be imposed by homeowner's association rules. The SHIP program limits funding for manufactured housing to 20% of funds. Policy 1.1.10: "Manufactured homes. Alachua County recognizes manufactured homes as one source of affordable housing when constructed, placed, and maintained in a safe manner. Although recognized as a source of housing, Alachua County may be restricted in its ability to offer funding for the construction, rehabilitation, or repair of manufactured homes." Recent permit activity analyzed in Report 1 for this feasibility study indicated that 21% of permits over the past ten years were for mobile/manufactured homes, indicating interest by the private market in promoting these housing types which can be further facilitated by the County. Modular homes, which in this report is meant to indicate housing manufactured off-site without a chassis that would only be provided with a permanent foundation, may still face limitations in terms of use of SHIP dollars and could also be considered for support with this funding.

Eliminate Buffer Requirements Internal to IHO Development and Buffer/Minimum Lot Size Requirements for Mixed-Use Development Edge Transitions

Eliminate buffer requirements within IHO developments, particularly between residential uses. A further option is to eliminate buffer requirements at project edges for mixed-use areas, as well as minimum lot size requirements at mixed-use project edges to match abutting lots, in favor of less space-intensive transition approaches (e.g., reliance on building scale compatibility without additional buffer/lot size/housing type compatibility requirements, stepbacks of upper stories where multi-family is adjacent to single-family, screening via walls). An approach to building scale transitions might include evaluation of implementing a missing middle housing zone as a transitional area between multi-family/non-residential zones and single-family areas (see the Issues to Address By-Right for Market-Rate Units section later in this report).

These changes should be coordinated with potential impacts on impervious surface ratios and stormwater management approaches. The County should retain buffer requirements adjacent to environmentally sensitive areas.

FLUE Policy 1.4.1.4 promotes a variety of transitional techniques, including design, transitional density/intensity, buffering, landscaping, and open space.:

> *Urban development shall incorporate design techniques to promote integration with adjacent neighborhoods and enhance the quality of the living environment. Such design techniques shall include:*
>
> > *(a) Quality design practices, transitional intensity (types of uses), stepped density, buffering, boundaries, landscaping, and natural open space.*
> >
> > *(b) Open space shall be designed to be accessible as required by Conservation and Open Space Policy 5.2.3 and Stormwater Management Element Policy 5.1.11. Open space requirements fulfilled through the use of conservation resource areas per Conservation and Open Space Element Policy 5.2.2 shall incorporate accessible open space, to the extent consistent with the character and protection of the resource.*
> >
> > *(c) Special attention shall be provided to the design of development and neighborhood edges, which shall be designed to be integrated into the surrounding community.*

Approaches such as buffering and open space at the edge of development and between uses do not allow for use of the transition area for additional development such as housing units; by requiring a land use/development buffer, this approach may also limit options for and benefits of open space planning in view of other priorities with locational considerations such as stormwater management, protection of key natural resource areas, and passive recreation and active recreation opportunities.

Future Land Use Element Policy 7.1.8 includes reference to the Buffer Group Matrix that establishes buffer requirements between uses. Development edge buffers are also referenced extensively for mixed-use developments noting residential uses, documented in the Comprehensive Plan: Celebration Pointe, Springhills Activity Center, Jonesville Low Activity Center/Employment. External buffering is also generally mentioned for Millhopper Activity Center and Tower Road/24th Avenue Low Activity Center, Eastside Activity Center.

LDC Table 407.43.1 and Sec. 407.70(b)(2) and 407.154(h) establish requirements on project boundary buffers, including TOD, TND, and CN developments, and alternatives for TND and TOD developments of minimum lot size requirements for project edges. Minimum lot size requirements at the project edge limit the amount of development achievable in the project, which would limit units in the case of housing.

Remove/Reduce Setback Requirements

Allow removed or reduced minimum setbacks internal to an IHO development, coordinated with stormwater management and roadway sight line needs. Use building scale transitions where possible (see the discussion on a missing middle housing zone evaluation in the Issues to Address By-Right for Market-Rate Units section) and stepbacks of stories above a certain height to manage building transitions in place of current requirements for multi-family residential districts and additional setbacks for additional height, in coordination with impervious surface considerations and stormwater management. Add clarifying language that side setbacks do not apply to zero lot line and attached single-family units developed in multi-family residential districts (see existing single-family district language).

LDC regulations for R-3, RP, HM, BP, AP, BR, BR-1, BH districts require additional setbacks for additional height. Additionally, larger setbacks are required for R-2 through R-3 multi-family residential districts relative to single-family districts. Adjusting setbacks provides an opportunity to allow more flexibility where more units will be provided in the building. Consider where building scale transitions and stepback requirements for upper stories could help address transitions instead of additional setbacks where maximum heights are greater than single-family districts.

Establish Streamlined Process to Request Additional Requirement Deviations and Incentives

IHO developments should have an easy way to request additional deviations from requirements and incentives to offset costs not explicitly codified. Parameters for these requests can include but are not limited to:

- maintained protection of public health, safety, and welfare;
- consistency with the Comprehensive Plan; and
- not exceeding additional density already enabled by any density bonuses for IHO.

Issues to Address By-Right for Market-Rate Units

Options discussed in this section include those 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. As a result, they would not factor into incentives for an IHO policy but could still increase affordability through the private market and existing avenues for income-restricted units.

Evaluate Locations for Implementation of a Missing Middle Housing Zoning District

With the changes to the CN development regulations allowing only detached units, primarily due to concerns with compatibility with surrounding single-family neighborhoods, the County should evaluate where small-scale missing middle housing types such as duplexes, triplexes, and quadplexes should be allowed and promoted. This approach will expand options to meet a variety of housing needs in the areas of focus while not removing the option to build single-family homes.

This approach would help support housing type diversity aims in the Future Land Use Element of the Comprehensive Plan. Objective 1.2 states: "Provide for adequate future urban residential development that includes a full range of housing types and densities to serve different segments of the housing market, designed to be integrated and connected with surrounding neighborhoods and the community, with opportunities for recreation and other mixed uses within walking or bicycling distance."

Locational considerations can include focus on areas near transit, commercial and mixed-use nodes, and other amenities, as well as where this zoning district could be helpful as a transition from larger scale multi-family districts, commercial districts, and other more dense/intense development to single-family neighborhoods. The locational scoring presented earlier in this report can support this locational evaluation.

Regulatory considerations can include parking requirement reductions, building envelope regulations to promote desired scale transitions, and density maximums high enough to promote an increased number of smaller units within the building envelope, among other considerations.

St. Petersburg provides an example of where a missing middle housing zone (NTM-1) was adopted in a targeted way along Future Major Streets and High Frequency Transit Routes.

This process should also evaluate exemption of this type of small-scale multi-family development from arterial and collector road access requirements that multi-family development outside of TND or TOD developments. Future Land Use Element policies 1.3.8.2, 1.3.9.2, and 1.3.10.3 have arterial and collector road access requirements for multi-family development outside TND or TOD in the Medium, Medium-High, and High Density Residential Land Use categories, with alternatives allowed in Medium and Medium-High categories. LDC Sec. 403.10 applies these access requirements to multi-family development generally in zoning districts R-2, R-2a, and R-3. Note that Title 40, Chapter 410, Art. III of the LDC defines a multi-family dwelling as: "A residential building designed for or occupied exclusively by three (3) or more families, with the number of families in residence not exceeding the number of dwelling units provided."

The Urban Cluster Area contains Urban Transportation Mobility Districts, which are a focus for multi-modal transportation options. These types of improvements, along with locational considerations such as proximity to transit, can help manage transportation demand in areas where more small-scale multi-family is permitted.

Remove Ownership and Locational Barriers to Accessory Dwelling Units (ADUs); Consider Tiered Size Caps Between Urban & Rural Areas

Remove owner-occupancy requirements for properties with ADUs. Future Land Use Element Policy 1.3.6.1 and 6.2.10.1 and LDC Sec. 404.24 include owner-occupancy requirements for either the principal building or the ADU. Owner occupancy requirements may discourage development of ADUs, limit selling options for current owners, and dissuade prospective buyers. Single-family homes without ADUs are not subject to owner-occupancy requirements. Gainesville removed its owner-occupancy requirement for ADUs in 2020.

ADUs should also at least be permitted by right wherever single-family homes are permitted by right. ADUs are currently permitted uses in Future Land Use categories ranging from Rural/Agricultural to Medium Residential (in terms of density). Zoning districts where they are allowed range from Agricultural to Single-Family, Medium Density (no multi-family, higher density zones). Expand ADU allowances at least in the higher density categories/districts where single-family homes are permitted. Pinellas County allows ADUs for single-family detached homes throughout nearly all single-family and multi-family residential zoning districts, as well as in non-residential districts as an accessory use to office, commercial, or industrial uses.

The County may also consider adding a smaller absolute size cap for ADUs in the urban area versus those in the rural area. In 2022, the County amended ADU size restrictions of “a maximum of 50 percent of the principal residence or 1,000 square feet, whichever is greater” to increase the absolute cap to 1,700 square feet to accommodate mobile homes. A smaller cap may help retain affordability of ADUs in the urban area via a smaller unit size. Note that homeowner’s association rules may limit where ADUs are allowed, by extension limiting where these units are built.

Expand Expedited Review for Affordable Housing

Apply expedited review to the entire review process for affordable housing developments, not just building permit processing. Expand expedited approval to all developments that meet income-restricted affordable development standards of the County, not just those receiving a subsidy. An additional option is to reserve expedited permitting for developments using voluntary and mandatory inclusionary programs. Staff has noted that given the pace of the permitting process already, this may only result in minor increases in expediting.

LDC Sec. 402.03.5 currently provides expedited processing of building permits for affordable housing units tied to funding programs. The SHIP program requires “assurance that permits for affordable housing projects are expedited to a greater degree than other projects” as an incentive strategy employed by program participants (Sec. 420.9071(18), Florida Statute).

Land Use & Development Transitions: Establish Objective Terms & Address in LDC

Use objective compatibility terms for transitions between uses/development and avoid general references to compatible “character”. For example, Future Land Use Element Policy 1.4.1.1 states: “Appropriate mixes of housing types shall be allowed where such mixes may be integrated with the character of the surrounding residential area.” More objective terms might include reference to building scale and whether uses have nuisance impacts on adjacent development such as noise, vibration, odors, etc.

Consider handling all land use transitions through the more nuanced regulations of the LDC as opposed to the Comprehensive Plan.

Appendix: Current Policies & Regulations Promoting Housing Affordability

This appendix details additional information and strategies currently in the County's Comprehensive Plan policies and LDC to facilitate provision of affordable housing.

Definitions and Affordability Levels of Focus

Chapter 410, Article III within Title 40 of the LDC related to Land Development Regulations 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."

This article also indicates that income limits for extremely low-, very low-, low-, and moderate-income households are derived from application of standard thresholds (30%, 50%, 80%, and 120%, respectively) to median annual incomes adjusted for family size at the metropolitan statistical area, county, and nonmetropolitan state level, whichever is greatest.

The Land Development Regulations section of the LDC includes concurrency reservation and tree canopy retention incentives for affordable housing developments (discussed further under Other Incentives for Affordable Housing below).

Additionally, the Housing Element of the Comprehensive Plan includes direction to support housing serving very low- and extremely low-income levels:

- Policy 1.2.8: "Establish regulatory incentives for the development and redevelopment of housing units affordable to very low and extremely low-income households. The new units are to be located within proximity to major employment centers, high performing public schools and public transit."
- Policy 1.4.6: "Alachua County shall encourage methods of financing which will increase the opportunities for very low and extremely low-income households to obtain decent, safe, sanitary, attractive and affordable housing."
- Policy 1.4.9: "Provide funding for permanent housing and rental assistance programs for very low and extremely low-income households. This would include assistance with rent deposits as well as the establishment of a rental deposit surety bond program."

Dispersion of Affordable Housing & Access Considerations

The Housing Element promotes dispersion of affordable housing throughout the county, while promoting access to vital services and destinations:

- Objective 1.1: "Alachua County shall provide for the development of affordable housing, dispersed throughout the County, through policies which focus on the following areas:
  –Land use and facilities

–Methods to promote the dispersion of affordable housing, and
–Manufactured housing"

- Policy 1.1.1: "Alachua County shall, through the policies in the Future Land Use Element, provide areas for residential development which would be suitable for the development of affordable housing. These areas shall take into account the availability of infrastructure and land, the accessibility to employment and services, the proximity to shopping, daycare facilities, transit corridors, and the promotion of infill opportunities."
- Policy 1.1.4: "It is and shall be the policy of the Board of County Commissioners to promote the dispersion of newly built affordable housing units within developments throughout the entire County. This should include areas which are proximate to schools, shopping, employment centers, daycare facilities, and transit corridors. The Board of County Commissioners shall promote the development of affordable housing in the areas identified in the Housing Study that are deficient in market produced, or incentive based, affordable housing. This policy shall be used as a guideline to determine future affordable housing development goals. This policy shall not limit housing programs created to assist farmers or rehabilitation assistance programs and activities which may be appropriate in rural areas."
- Policy 1.2.8: "Establish regulatory incentives for the development and redevelopment of housing units affordable to very low and extremely low-income households. The new units are to be located within proximity to major employment centers, high performing public schools and public transit."

Future Land Use Policy 7.1.3 also includes affordable housing as one consideration for expanding the Urban Cluster, supporting the connection between affordable housing provision in proximity to services and amenities.

An inclusionary housing policy helps promote dispersion by linking affordable units to market-rate development activity; this policy could include strategies to prioritize certain approaches in certain areas to ensure adequate access to vital services, amenities, and destinations.

Housing Type Diversity

The Future Land Use Element of the Comprehensive Plan includes language to support housing type diversity, which can support housing options and affordability relative to single-family homes. Objective 1.2 states: "Provide for adequate future urban residential development that includes a full range of housing types and densities to serve different segments of the housing market, designed to be integrated and connected with surrounding neighborhoods and the community, with opportunities for recreation and other mixed uses within walking or bicycling distance."

Many single-family and multi-family residential base zoning districts allow single-family attached housing types, from low-density single-family districts of RE-1aa and R-1a to the high-density multi-family R-3 district. Additionally, the Future Land Use Element and LDC include policies and regulations to enable TND, TOD, and CN developments that generally allow for greater density; TND and TOD can facilitate a mix of housing types.

Accessory dwellings are also permitted in rural to certain medium-density residential areas, including single-family districts, further increasing allowable housing types.

Additionally, several business and professional zoning districts along with the Hospital/Medical District permit residential over commercial as a use.

Regarding manufactured and mobile homes, Title 40, Chapter 410, Article I provides the following definitions:

- *Manufactured home: For the purposes of floodplain administration, a structure, transportable in one or more sections, which is eight (8) feet or more in width and greater than four hundred (400) square feet, and which is built on a permanent, integral chassis and is designed for use with or without a permanent foundation when attached to the required utilities. The term "manufactured home" does not include a "recreational vehicle" or "park trailer." [Also defined in 15C-1.0101, F.A.C.] This includes a mobile home fabricated on or after June 15, 1976, in an off-site manufacturing facility for installation or assembly at the building site, with each section bearing a seal certifying that it is built in compliance with the federal Manufactured Home Construction and Safety Standard Act*
- *Mobile home: A structure, transportable in one or more sections, which is eight (8) feet or more in width and which is built on an integral chassis and designed to be used as a dwelling when connected to the required utilities including plumbing, heating, air conditioning, and electrical systems.*

Policy 1.1.12 of the Housing Element limits these housing types to rural areas and uses very general terms defined by "adverse impacts" to indicate further allowances:

> *Manufactured/ or mobile homes meeting the minimum construction standards should be generally permitted for use as permanent housing in the same manner as conventional housing for the following areas of the County:*
>
> *(a) in rural areas;*
>
> *(b) in areas where the nature of surrounding development indicates that there will not be adverse impacts on existing development, or*
>
> *(c) provided that any adverse impacts can be mitigated through buffers and other design strategies.*

The LDC limits manufactured and mobile homes to the Agricultural, R-1c Single-Family Low Density, and Manufactured-Mobile Home Park District (Sec. 404.21 and 404.22). These housing types are currently permitted as "Limited Uses," which indicates that a use that is permitted by right, provided that the use meets the additional standards established in the Use Regulations chapter or other chapters of the LDC. Additional standards referenced in the Use Table for these housing types relate to installation, storage, and inspection/certification standards. There may also be limitations on these housing types in homeowner's association rules.

Note that the definitions of the housing types include reference to a chassis. Modular homes for the purposes of this report refer to homes manufactured offsite that do not have a chassis and are intended for use with a permanent foundation. These homes are permitted where single-family homes are permitted.

Minimum Density/Development Requirements

The Future Land Use Element of the Comprehensive Plan and the LDC include requirements for minimum densities and thresholds indicating where TND or TOD types are required. These requirements ensure a certain number of units are provided and require developments that facilitate diverse housing types in mixed-use settings.

Future Land Use Policy 1.3.4 states: "The gross residential densities of new subdivisions and multi-family developments shall not be less than the urban residential density range for the assigned future land use category except where necessary to protect natural resource conservation areas as identified in Objective 3.1 of the Conservation and Open Space Element."

Future Land Use Policy 7.1.34 states:

> *The following thresholds for development design requirements and locational standards shall apply within the Urban Cluster:*
>
> *(a) All commercial development or redevelopment on 25 developable acres or more in size shall be developed as either a Traditional Neighborhood Development or Transit Oriented Development in accordance with all requirements of Objective 1.6 or 1.7 and their policies.*
>
> *(b) Developments within Urban Residential designations that are:*
>
> *(1) 150 or more units and are contiguous to a Rapid Transit or Express Transit Corridor shall be either a Traditional Neighborhood Development, Transit Oriented Development or located within an Activity Center.*
>
> *(2) 300 or more units shall be either a Traditional Neighborhood Development or located within an Activity Center.*

Future Land Use Policies 7.1.35 states: "Development or redevelopment in the Urban Cluster that is contiguous with a rapid or express transit corridor and exceeds 1,000 dwelling units or 350,000 sq ft of non-residential shall be developed as a Transit Oriented Development (TOD) consistent with Future Land Use Element Objective 1.7 and its policies."

These requirements are also reflected in LDC Sec. 403.02.5, Sec. 405.44, and Sec. 405.04 (this last section regarding Activity Centers).

Parking Standards Facilitating Housing Type Mix & Affordability

The LDC includes parking standards to further facilitate development types with relatively higher density allowances and/or that can promote a mix of housing types. Off-street parking in transit supportive areas of TNDs and TODs is not required; Table 407.68.2 establishes parking maximums for multi-family development in transit-supportive areas of TNDs and TODs, and there is flexibility on pooling and location of spaces within the development. Sec. 407.155 requires a lower minimum number of parking spaces for units in CN developments (1.5 spaces per unit) than requirements for single-family attached and detached homes in Table 407.14.1 parking schedule (2 spaces per unit). CN developments can also provide parking in common lots. Additionally, ADUs are omitted from density calculations and do not have additional minimum parking space requirements.

Setback Standards Facilitating Flexibility in Housing Design

LDC Sec. 407.154(g) applies setback requirements from the overall property boundaries as opposed to applying to individual lots for CN developments, providing more flexibility within the development. LDC

Sec. 403.07 and Sec. 407.67 allow for zero lot line units in single family districts, TNDs, and TODs. Minimum side setbacks do not apply to zero lot line developments provided the building spacing requirements of the Florida Building Code are met.

Other Incentives for Affordable Housing

The Comprehensive Plan includes direction and support for affordable housing and residential green building techniques:

- Housing Element Policy 1.2.2: "Alachua County shall provide incentives in the land development regulations for the development and redevelopment of affordable housing. These incentives may include but are not limited to:
    - (a) fee relief;
    - (b) provisions for expedited development review, approval, and permitting processes;
    - (c) special provisions for reservation of infrastructure capacity for concurrency;
    - (d) density bonuses;
    - (e) provisions for reduced lot sizes and modification of setback requirements; and
    - (f) grants and other financial incentives."
- Housing Element Policy 1.2.9: "Establish an expedited conceptual plan review process for affordable housing developments that are applying for Low-Income Housing Tax Credits (LIHTC)."
- Future Land Use policy 7.1.16(c): "Gross density shall be consistent with this Plan, however, provision should be included within the land development regulations for awarding density credit based on provision for inclusionary housing, consistency with green building standards, or where provided in other Elements and Sections of the Comprehensive Plan. In the case of family homestead exceptions or hardship variances, gross density limits established in the Plan may be exceeded provided the other provisions of the implementing zoning district are followed."
- Housing Element Policy 1.2.5: "Alachua County's building permit and development review processes shall include an incentive based scoring system that recognizes developers who use construction techniques which reduce future maintenance and energy costs in accordance with Policies 2.1.2 and 3.1.3 of the Energy Element, such as homes oriented and constructed for energy efficiency and sustainability."

The Celebration Pointe development is one example where additional units are allowed if a percentage of units are affordable. Future Land Use Policy 1.9.1(a): "Upon entering into an agreement with the County that guarantees 10% of additional units over 2,000 are affordable to households earning up to 50% of the Area Median Income, an additional 500 units may be approved."

Incentives codified in the LDC for affordable housing developments include:

- Sec. 407.121: concurrency reservation for affordable housing developments with phasing schedules, based on phases in the approved preliminary development plan (also allowed for TND and TOD developments).
- Sec. 406.12(a)(2): reduction in tree canopy retention requirement, 5% percent of tree canopy retained instead of 20% (also allowed for TND, TOD, and CN developments).

Additional incentive strategies for housing affordability documented in the 2021/22-2023/24 Local Housing Assistance Plan (LHAP) include:

- "The County Manager may waive development review application fees and charges to not-for-profit corporations that submit affordable housing projects. This policy is annually approved through the Alachua County fee schedule by the Board of County Commissioners."
- "Alachua County also offers a 50% reduction in building permit fees for properties with a homestead exemption (owner-occupied) and a Total Just Value of less than $50,000 as determined by the Alachua County Property Appraiser within the last year."

Funding for Affordable Housing

The LHAP lists the following funding strategies for use of State Housing Initiatives Partnership funds, targeting very low- to moderate-income households, depending on the strategy:

- Purchase assistance, including down payment, closing costs, and eligible repairs;
- Owner-occupied rehabilitation;
- Demolition and reconstruction where home is beyond reasonable repair;
- Home repairs directly caused by disaster;
- Emergency repairs essential system or critical structural problem for homeowners that are "special needs", essential services personnel, or 62 years or older;
- Foreclosure prevention for homeowners in arrears on their first mortgage;
- Property acquisition, demolition, rehabilitation, new construction by developer of units for purchase;
- Rental assistance (to obtain a lease or for rent in arrears) and eviction prevention; and
- New construction or rehabilitation of rental units.

Comprehensive Plan Housing Element policies 1.4.2 and 2.3.1 specify down payment assistance, single-family housing development, and multi-family housing development as uses for SHIP funds.

The Housing Element also includes prioritization criteria for federal and State housing funds. Policy 2.3.6 states:

> *The local priority for using federal and state housing funds shall be for improvement activities within residential neighborhoods. To the extent program rules and scoring criteria allow, the local criteria for setting priorities among eligible projects shall include:*
>
> > *(a) Condition of the Neighborhood: Target neighborhoods shall exhibit characteristics of housing costs and condition, household incomes, housing usage and population demography which meet eligible area requirements of the federal program for indicating public assistance needs.*
> >
> > *(b) Size and Scope of Project: The project size and scope should be such that the available funds will permit a substantial improvement to the neighborhood so as to create incentives for continued investment by residents and developers in neighborhood improvements.*
> >
> > *(c) Project Location: Project neighborhoods shall represent a viable part of the long term residential development patterns of the County. Priority will be given to projects that, by upgrading a single neighborhood, will also improve the surrounding area for uses proposed in the Future Land Use Element. This shall also include areas identified in Policy 1.1.3.*

Note that Policy 1.1.3 refers to areas identified through a detailed housing study as needing affordable housing. Additionally, the County Commission in January of 2023 reaffirmed direction to focus County affordable housing funding on development west of Main Street in Gainesville.

The Comprehensive Plan also includes direction for the County to apply for and support housing/neighborhood improvement with Community Development Block Grant (CDBG) and Home Ownership Made Easy (HOME) program funds (Housing Element policies 1.1.5, 1.4.5, and 2.3.5).

Housing Element policies 1.4.4 and 2.3.3 also provide direction to use bonds from the local Housing Finance Authority in support of providing affordable housing:

Policy 1.4.4 states: "Alachua County shall utilize Alachua County Housing Finance Authority bonds and approved bonds from other Issuing County Housing Finance Authorities to provide low interest rate mortgage loans to eligible homebuyers or to subsidize the creation of affordable rental housing in Alachua County. Areas identified under Policy 1.1.3 are eligible for bond financing, in addition to areas previously defined by the U.S. Department of Housing and Urban Development (HUD)."

Lastly, regarding additional local funding for affordable housing, Alachua County voters passed in November 2022 an infrastructure surtax of one cent for 10 years. Half of the funds may be used for uses that include acquisition of lands for housing of which at least 30% of the units are affordable to individuals or families whose total annual household income does not exceed 120 of AMI adjusted for household size, if the land is owned by the local government or a special district that enters into a written agreement with the local government to provide the housing (in accordance with Sec. 202.055(2) of Florida Statutes).

Additionally, the County has amended its charter to establish the Alachua County Affordable Housing Trust Fund (see Section 1.9 of the Charter). Housing Element policy 1.4.11 provides direction on a source of local revenue via the sale of escheated properties: "Develop a program to use the revenue from the sale of escheated properties to develop affordable housing for both home-ownership and rental opportunities. This includes the establishment of a local Housing Trust Fund."

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. <u>Definition of "affordable housing"</u>

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.[1] 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,

[1] 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.[2] 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

[2] 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

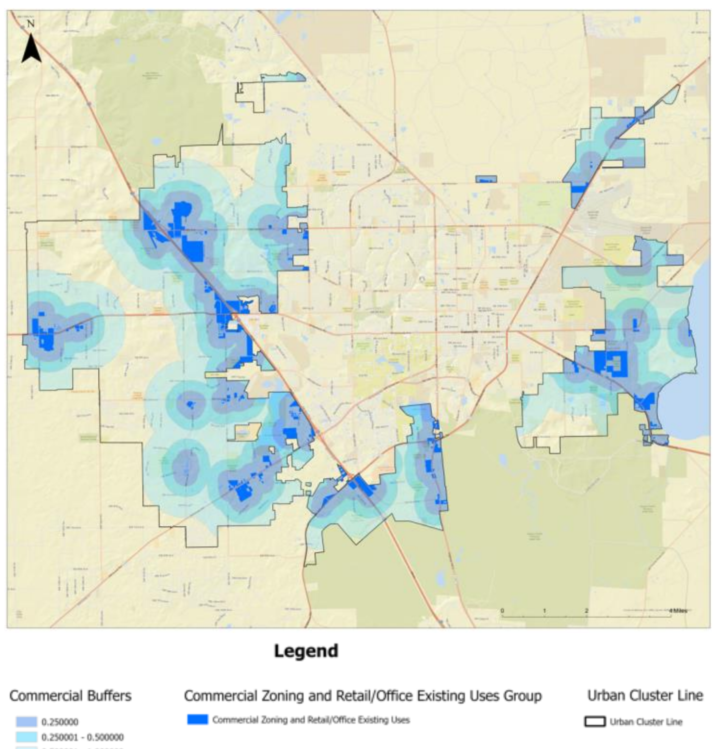
In evaluating potential locations for increased housing density, the foremost criteria that arose from the literature and feedback from the County's AHAC and County Commission was the need to ensure areas that received increased density allowances and additional units be located close to employment centers 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 no 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[3]. 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[4], indicating an industry standard for neighborhood servicing.

Map 1: Commercial Use Tiered Buffer Area



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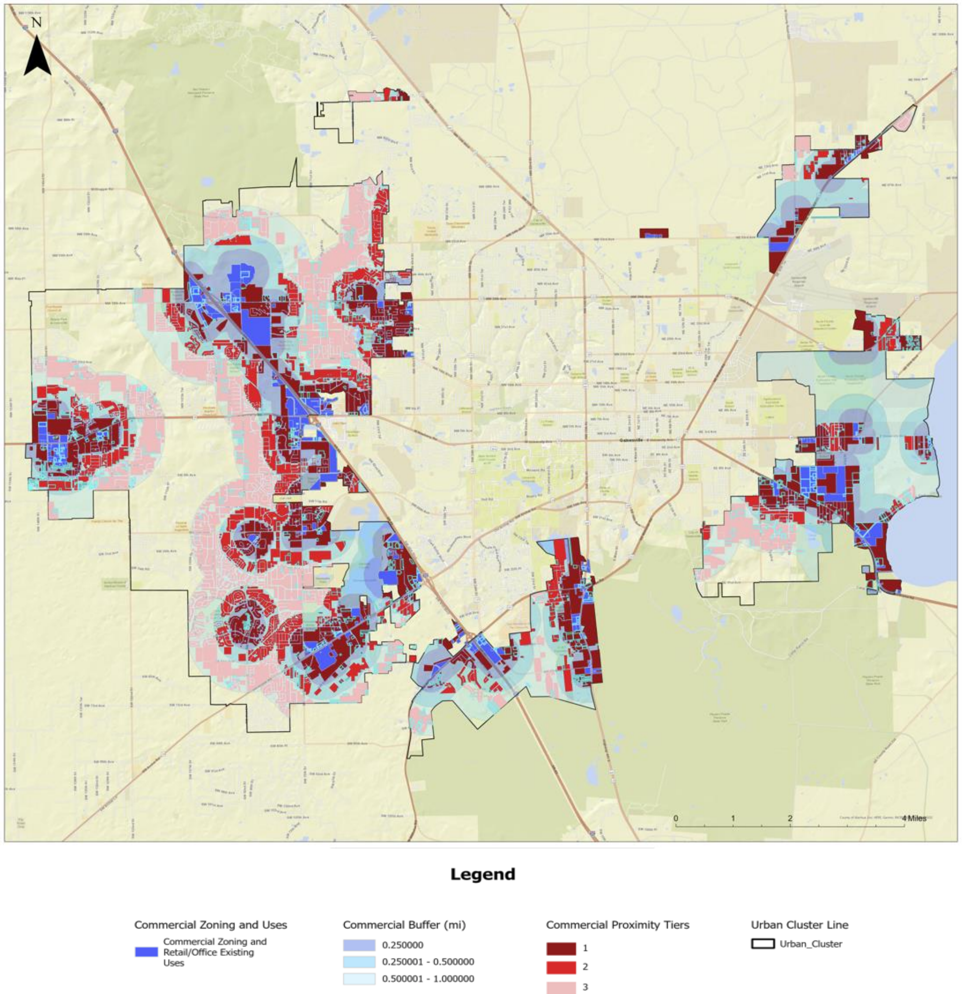
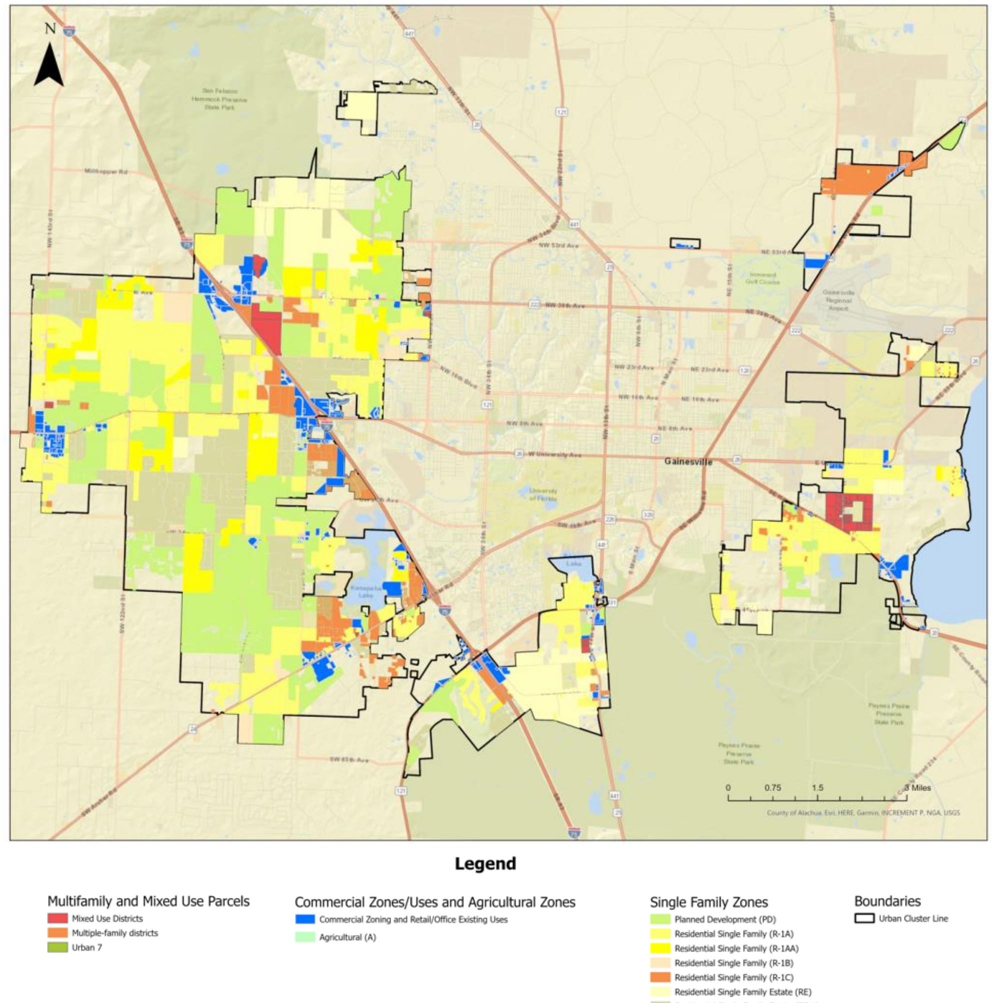
[3] https://www.cnu.org/publicsquare/2017/02/07/great-idea-pedestrian-shed-and-5-minute-walk

[4] https://www.ers.usda.gov/data-products/food-access-research-atlas/documentation/

Map 2: Buffered Area and Tiered Parcels

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





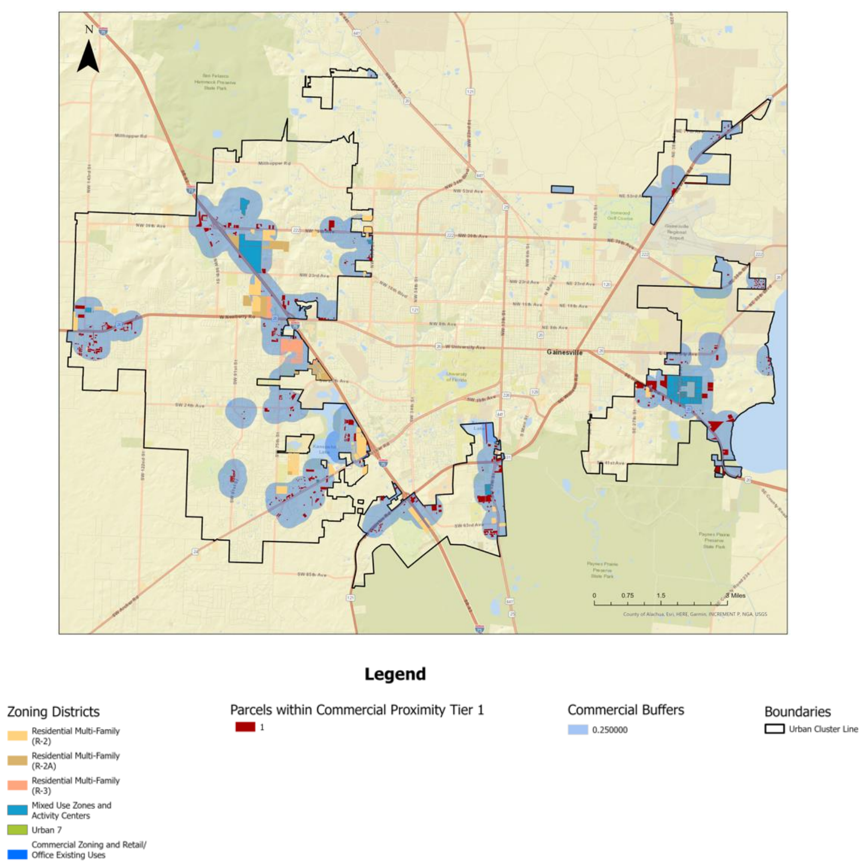
Within the proximity tiers depicted in Map 2, agricultural and single-family zoned parcels designated are identified to indicate those most compatible for potential allowance expansion. Multiple family zones (R-2, R-2A, and R-3) and other zone types are excluded from the buffer parcel analysis. Map 3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



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.[5]

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
0.0001-1.0001	**7813**	**2748.24**
Agricultural	3	2.26
Residential	7174	2557.16
Vacant Residential	636	188.82
1.0001-2.0001	**1215**	**1501.28**
Agricultural	2	2.63
Residential	1115	1368.2
Vacant Residential	98	130.45
>2.0001	**782**	**5044.12**
Agricultural	75	1717.39
Residential	575	2682.02
Vacant Residential	132	644.71
Grand Total	**9810**	**9293.64**

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

[5] 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

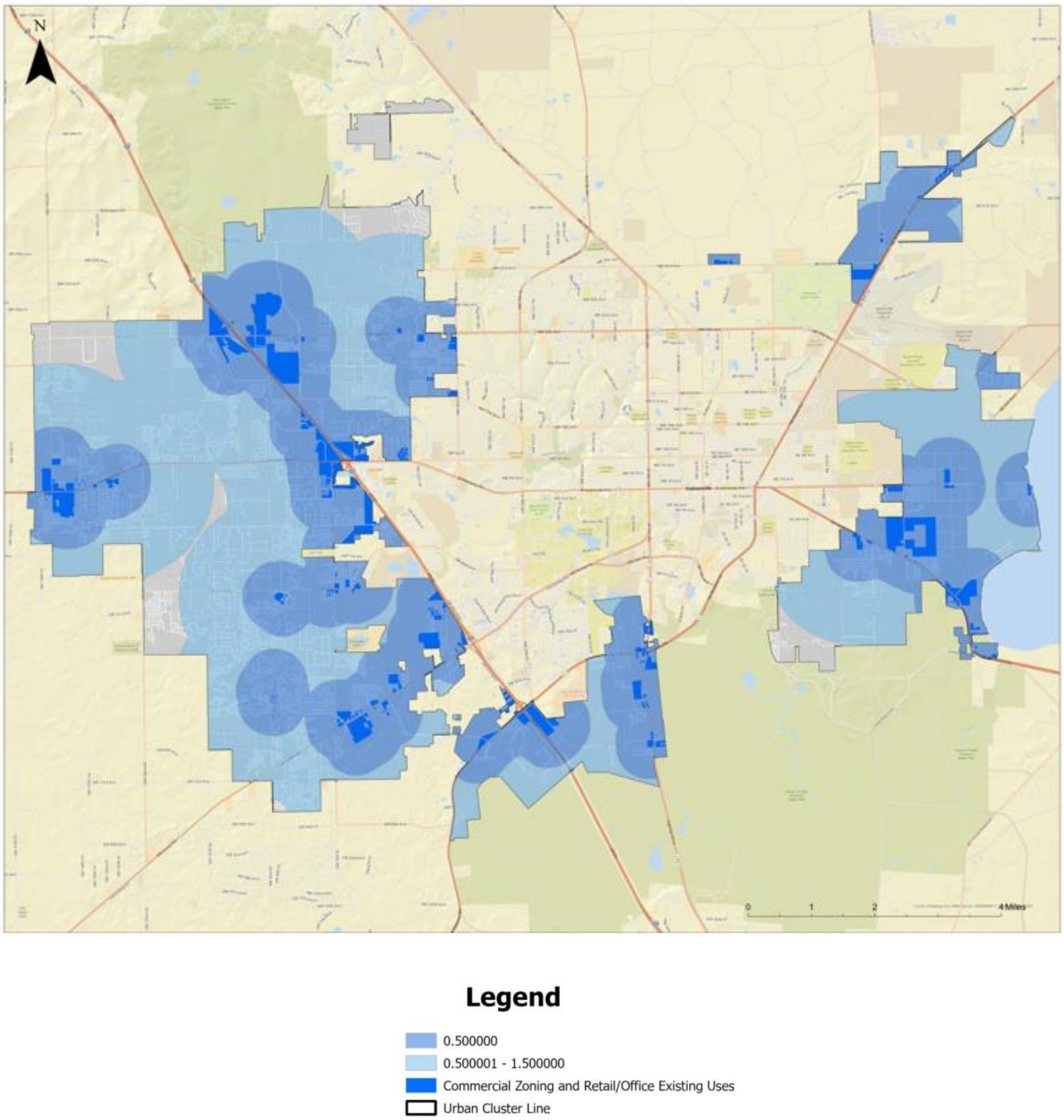
By reducing or removing the non-residential component requirement in transit-oriented developments (TODs) and traditional neighborhood developments (TNDs) in exchange for affordable units, the County can provide bonus density to these developments; in the case of a complete removal of these requirements, 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



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.[6] 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

[6] Robert Steuteville, Phillip Langdon, and Special Contributors, *New Urbanism Best Practices Guide,* 4th 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 expediter responsible for shepherding projects through the approval process.

The **City of Orlando** also has a housing expediter position that helps move affordable housing proposals through the development process. The housing expediter 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.

FLORIDA HOUSING COALITION

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.