

# **Z24-000011: County-Initiated Text Amendment to Alachua County Comprehensive Plan – Inclusionary Housing**

Local Planning Agency Public Hearing
November 20, 2024

# **Background – Inclusionary Housing**

 December 2022 – Board of County Commissioners (BoCC) directed staff to work with Florida Housing Coalition (FHC) to conduct an Inclusionary Feasibility Housing Study for Alachua County.



- August 2023 Study Reports 1 & 2 presented to Alachua County Affordable Housing Advisory Committee (AHAC).
- September 19, 2023 Study Reports 1 and 2 presented to BoCC.
- March 5, 2024 Study final recommendations presented to BoCC, and direction for staff to follow up on several items.
- The proposed Comprehensive Plan amendment is a first step in follow-up on the Study recommendations.

# What is Inclusionary Housing?

- Land use policy intended to require or incentivize private developers to include affordable units as part of new development.
- Inclusionary housing policies typically specify:
  - Percentage of the total residential units within a development that must be affordable.
  - Target income levels for affordability.
  - Number of years that units must remain affordable.
- Promotes more even geographic distribution of affordable housing throughout the community.

### **Statutory Requirements for Inclusionary Housing**

Sec. 125.01055, Florida Statutes:

#### • Inclusionary housing ordinance may require developer to:

- Provide a specified number or percentage of affordable units within a development, or
- Contribute to a housing fund or alternative in lieu of building the affordable housing units

#### • In exchange, a County must:

Provide incentives to fully offset all costs to developer of its affordable housing contribution

#### Incentives may include:

- Density or intensity bonuses
- Reducing or waiving application fees or reduced process requirements
- Granting other incentives

# **Affordable Housing Need in Alachua County**

From Florida Housing Coalition Inclusionary Housing Study

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

#### **Future Land Use Element**

- 1. TOD/TND enable substitution of a portion of required non-residential floor area with affordable residential units.
- 2. Requirement to provide affordable units as part of proposed land use changes to increase residential density.
- 3. Requirement to provide affordable units as part of proposed expansions of the Urban Cluster

#### **Traditional Neighborhood Development – Current Policy**

- Development type that requires a mix of both residential and nonresidential uses, compact design, and interconnected network of narrow streets to promote bicycle and pedestrian circulation.
- Permitted in Urban Residential Areas within Urban Cluster.
- Requires 10,000 square feet nonresidential base, plus minimum 50 sf and maximum 250 sf per residential unit.



#### **Proposed Policy Changes – TND**

- Allow for substitution of minimum required non-residential floor area in exchange for affordable residential units.
  - Substitution rates to be provided in ULDC will allow greater non-residential reduction per unit
    by providing greater depth of affordability and allow for development of affordable units within
    unbuilt non-residential phases of existing TNDs that are otherwise substantially built out.
  - Affordable units would not be counted toward maximum allowable residential density or included in calculation of required non-residential floor area.
  - Non-residential could not be reduced below 10,000 sf for the TND
- Allow up to 4 units per acre density bonus if at least 20% of those bonus units are affordable. Bonus units would not be included in calculation of required non-residential floor area.
- Affordability standard is maximum 80% AMI for 30 years.

Possible substitution rates to be considered in land development regulations:

- 500 square feet (sf) per each unit provided at ≤80% and >50% AMI
- 1,000 sf per each unit provided at ≤50% and >30% AMI
- 1,500 sf per each unit provided at ≤30% AMI

#### **Example TND with 200 residential units on 25 acres**

**Required non-residential floor area = 20,000 sf minimum** to 60,000 sf maximum

#### Substitution of minimum required non-residential with affordable units

- Providing 20 affordable units at 80% AMI reduces minimum required non-residential to 10,000 sf
- Providing 10 affordable units at 50% AMI reduces minimum required non-residential to 10,000 sf
- Different combinations could be utilized

#### **Bonus Density Option**

• Up to an additional 4 residential units per acre on 25 acres (100 bonus units) if 20% of the total bonus units (20) are affordable at 80% AMI.

#### **Transit Oriented Development (TOD) - Current Policy**

- Transit Oriented Development (TOD) is a development type that requires a mix of residential and non-residential uses with density and intensity needed to support transit, with requirement to provide express transit service.
- Compact design with interconnected network of narrow streets to promote bicycle and pedestrian circulation.
- Permitted within Urban Residential areas and Activity Centers within Urban Cluster.



**Celebration Pointe TOD** 

 Requires 10,000 sf non-residential base, plus min. 100 square feet and max. 500 square feet per residential unit.

#### **Proposed Policy Changes – TOD**

- Allow for substitution of minimum required non-residential floor area in exchange for affordable residential units.
  - Substitution rates to be provided in ULDC will allow greater non-residential reduction per unit
    by providing greater depth of affordability and allow for development of affordable units within
    unbuilt non-residential phases of existing TODs that are otherwise substantially built out.
  - Affordable units would not be counted toward maximum allowable residential density or included in calculation of required non-residential floor area.
  - Non-residential uses could not be reduced below 10,000 sf plus 50 sf per residential unit.
- Allow up to 4 units per acre density bonus for TOD if at least 20% of those bonus units are affordable. Bonus units would not be included in calculation of required non-residential floor area for TOD.
- Affordability standard is maximum 80% AMI for 30 years.

Possible substitution rates to be provided in land development regulations:

- 500 square feet (sf) for each unit provided at <80% and >50% AMI
- 1,000 sf for each unit provided at ≤50% and >30% AMI
- 1,500 sf for each unit provided at ≤30% AMI

#### **Example TOD with 800 residential units on 50 acres**

Required non-residential floor area = 90,000 sf minimum to 410,000 sf maximum

#### Substitution of minimum required non-residential with affordable units

- Providing 80 affordable units at 80% AMI reduces minimum required non-residential to 50,000 sf
- Providing 40 affordable units at 50% AMI reduces minimum required non-residential to 50,000 sf
- Different combinations could be utilized

#### **Bonus Density Option**

• Up to an additional 4 residential units per acre on 50 acres (200 bonus units) if 20% of the total bonus units (40) are affordable at 80% AMI.

- Proposed future land use map change applications to increase allowable residential density must include a commitment to provide affordable housing.
- 10% of the *increase* in the number of residential units (calculated as difference between potential maximum number of units allowable on property based on proposed and current future land use categories) required to be designated as affordable to households with income at or below 80% AMI for 30 years.

Example: Proposed future land use map change from Low Density Residential (max. 4 units per acre) to Medium Density Residential (max. 8 units per acre) for 20-acre property

Maximum residential units current: 20 acres at 4 units per acre = 80 units

Maximum residential units proposed: 20 acres at 8 units per acre = 160 units

Increase in maximum number of units resulting from proposed change = 80 units

Required number of affordable units = 8 (based on 10% of increase)

- Proposed Urban Cluster expansion applications must include a commitment to provide affordable housing.
- 25% of the *increase* in the number of residential units (calculated as difference between potential maximum number of units allowable on property based on proposed and current future land use categories) required to be designated as affordable to households with income at or below 80% AMI for 30 years.

Example: Proposed future land use map change from Rural/Agriculture outside Urban Cluster (max. 1 unit per 5 acres) to Low Density Residential within Urban Cluster (max. 4 units per acre) for 100-acre property

Maximum residential units current: 100 acres at 1 unit per 5 acres = 20 units

Maximum residential units proposed: 100 acres at 4 units per acre = 400 units

Increase in maximum number of units resulting from proposed change = 380 units

Required number of affordable units = 95 (based on 25% of increase)

#### **Housing Element**

- Expands target income levels for land use regulatory incentives to promote the development of new affordable housing to include household incomes up to 80% Area Median Income (AMI). Current policy targets "very low" (50% AMI), and "extremely low" (30% AMI) income levels.
- Adds impact fee and mobility fee assistance among potential incentives that the County could consider for the development of affordable housing. Changes to the County's impact fee and mobility fee ordinances would be necessary to implement this incentive.
- Adds policy to recognize additional density bonuses offered by the County for developments proposed under Florida's Live Local Act.
- Establishes a definition of Inclusionary Housing

# Proposed Definition of Inclusionary Housing

**Inclusionary Housing:** Inclusionary Housing (also referred to as "Inclusionary Zoning") refers to a public policy that requires or incentivizes developers to designate a certain percentage of housing units within new development or redevelopment as affordable to households of specified income levels. Inclusionary Housing policies typically identify a percentage of the total housing units within a development that are required or incentivized to be affordable, target income levels for affordability, and a number of years that those units must remain affordable. Inclusionary Housing is intended to promote the geographic dispersion of affordable housing units throughout the community and encourage a mix of affordable and market rate housing within new development or redevelopment.

# Affordable Housing Advisory Committee (AHAC) Recommendation

AHAC reviewed the policy changes on September 18, 2024, and recommended moving forward with the proposed Comprehensive Plan amendments with the following specific revisions\*:

- Implement tiered substitution rates for TOD and TND which allow greater nonresidential reduction per unit by providing greater depth of affordability.
- Increase inclusionary housing percentage for Urban Cluster expansions to 25% of the increase in the maximum number of residential units realized through the expansion (initial proposal was 10%)

<sup>\*</sup> These AHAC recommendations have been included in the proposed amendment.

## Staff Recommendation for Planning Commission

Recommend that the Board of County Commissioners approve transmittal of Comprehensive Plan Amendment Z24-000011 to the state land planning agency and other agencies for expedited state review pursuant to Sec. 163.3184, Florida Statutes.

# **Questions and Discussion**