



***SHIP Affordable Housing
Advisory Committee
(AHAC)***

***2008 Incentive Review and
Recommendation Report***

***(as reapproved by the SHIP AHAC
on November 16, 2010)***

City of Gainesville
Affordable Housing Advisory Committee (AHAC)
2008 Incentive Review and Recommendation Report

I. Background Information

AHAC Membership

AHAC is mandated by state law and city ordinance to recommend specific initiatives and incentives to encourage or facilitate affordable housing within the city. Similar committees are mandated for each city and county which receives state funds under the State Housing Initiatives Partnership (SHIP) program.

The City of Gainesville AHAC membership is named by the City Commission to include eleven citizens knowledgeable in connection with affordable housing in each of the following areas: residential home building, banking or mortgage banking, labor actively engaged in home building, advocacy for low income persons, for-profit provider of affordable housing, non-for-profit provider of affordable housing, real estate professional, in addition to a citizen on the City Plan Board, a citizen representing employers in the city of Gainesville, a citizen representing essential services personnel (as defined by the local housing assistance plan), and one other citizen.¹

AHAC Mandate

AHAC shall review the established policies and procedures, ordinances, land development regulations, and adopted comprehensive plan of the city and shall recommend specific actions or initiatives to encourage or facilitate affordable housing while protecting the ability of the property to appreciate in value. The recommendations may include the modification or repeal of existing policies, procedures, ordinances, regulations, or plan provisions; the creation of exceptions applicable to affordable housing; or the adoption of new policies, procedures, regulations, ordinances, or plan provisions, including recommendations to amend the local government comprehensive plan and corresponding regulations, ordinances, and other policies. At a minimum, the committee shall submit a report for local housing incentive strategies to the mayor and city commission that includes recommendations on, and every three years thereafter evaluates the implementation of, local housing incentive strategies in the following areas:

- 1) Expedited processing of approvals of development orders or development permits issued by the city for affordable housing projects, incl. without limitation, building permits, zoning permits, subdivision approval, rezoning, certification, special exceptions, variances, or any other official action of local government having the effect of permitting the development of land for affordable housing projects.
- 2) Modification of impact fee requirements including reduction or waiver of fees and alternative methods of fee payment.
- 3) Allowance of flexibility in densities for affordable housing.
- 4) Reservation of infrastructure capacity for housing for very-low-income persons, low-income persons, and moderate-income persons.
- 5) Allowance of affordable accessory residential units in residential zoning districts.
- 6) Reduction of parking and setback requirements for affordable housing.
- 7) Allowance of flexible lot configurations incl. zero lot line configurations for affordable housing.
- 8) Modification of street requirements for affordable housing.

¹ Initial membership of the City of Gainesville AHAC is Cynthia Ashford, K. Richard Blount, Wayne P. Castello, David Frazier III, Philip Leitner, Juanita Miles-Hamilton (Vice Chair), Carol H. Parker, Ismael S. Rentz (Secretary), Jack Barry Sharp II, Obie Spratling, and Randolph M. Wells (Chair).

- 9) Establishment of a process by which the city considers before adoption policies, procedures, ordinances, regulations or plan provisions that increase in the cost of housing.
- 10) Preparation of a printed inventory of locally owned public lands suitable for affordable housing.
- 11) Support of affordable housing development near transportation hubs and major employment centers and mixed use developments.
- 12) Other affordable housing incentives identified by the advisory committee.²

AHAC Meetings

All AHAC meetings are noticed and open to the public.

July 8, 2008, 6pm, AHAC Organizational Meeting

July 22, 2008, 4:30pm, AHAC Land Development Regulations Subcommittee Meeting

July 22, 2008, 6pm, AHAC Meeting

August 12, 2008, 6:30pm, AHAC Meeting

September 9, 2008, 6pm, AHAC Meeting

September 23, 2008, 6pm, Joint Meeting with Alachua County AHAC

October 2, 2008, 5:30pm, AHAC Meeting

October 14, 2008, 5:30pm, AHAC Meeting

October 21, 2008, 5:30pm, AHAC Meeting

October 28, 2008, 5:30pm, AHAC Meeting

General Comments

AHAC aims identify ways to encourage affordable housing that are cost effective, environmentally sound, and supportive of broad community goals. This report seeks to explicitly link affordable housing with broad community values, such as environmental protection, energy efficiency, smart growth, mixed use, and infill development. Many of the areas we are mandated to consider benefit affordable housing, while also advancing elements of good urban design and more sustainable, environmentally-friendly development practices in general. We wish to integrate rather than isolate affordable housing, so that it becomes indistinguishable from market rate housing in contributing to the betterment of our citizens and community. Providing affordable housing should be something we do in integration with, not isolation from, wider goals and aspirations of our community, such as environmental protection, energy efficiency and smart growth.

In light of the current housing crisis, and related constraints on public funding, there is also a need to encourage affordable housing while limiting the burden on property owners and the taxpayer. One means to this end is clearly to find ways in which existing affordable housing resources can be more effectively used, particularly to meet the needs of very-low-income persons that may not be well served by the private market. However, many affordable units in our community are provided with little or no direct financial subsidy through small "mom and pop" rentals, and we must consider how our policies impact on the preservation and improvement of these units as well. Though considerable affordable housing subsidy is available for both home ownership and rental programs, a much larger public subsidy for all types of housing is provided through federal home mortgage income tax deduction, and property tax homestead and Save Our Homes provisions—yet these, larger subsidies provide only limited help to moderate, low and very-low income residents (and may in fact come at the detriment of renters). As a community, we must ensure that working people and their families can reasonably afford housing costs without sacrificing other key expenditures (utilities, healthcare, food, etc.) or

² City of Gainesville, Ordinance No. 070872, Passed and Adopted April 14, 2008.

compromising safety or being forced to live unreasonably far from places of employment, schools and shopping (particularly in light of higher transportation costs).

Finally, while there is an understandable interest in direct and indirect subsidies, we have also focused on ways in which all housing can be made more affordable by reducing the cost of government requirements--while still meeting the legitimate need for regulation to protect the public interest. We believe that there exist opportunities to make regulation clearer, simpler, and more environmentally friendly, while reducing the cost of development of new housing. There is a strong alignment between the potential for infill development (largely making better use of existing public infrastructure) and opportunities for quality housing development at all income levels.

Beyond this report, the AHAC will seek to continue further study and dialogue on this subject. We welcome the input, ideas and suggestions of our entire community in this endeavor.

II. Public Hearing

All AHAC meetings are noticed and open to the public. In addition, AHAC has scheduled a public hearing on November 18, 2008 to receive public input. A synopsis of that public input will be placed here when received, as well as the names of all individuals who speak at the public hearing.

III. Incentives & Recommendations

1) Incentive: The processing of approvals of development orders or permits, as defined in s.163.3164 (7) and (8), for affordable housing projects is expedited to a greater degree than other projects.

Review Synopsis: The Fast Track permitting process was developed to make the option of requesting a faster permitting process available to applicants, including contractors, developers and homeowners, when applying for a building permit. If applicants pay an additional fee for an expedited review, this program provides them with a faster process for permit approval. Housing developments that qualify as affordable are provided with the fast track service for no additional fee by the Building Department, although they do pay for building permits. Housing developments funded by SHIP, CDBG, HOME or associated programs are qualified as affordable. In order to receive expedited permitting, applicants in the City may apply to the Housing Division for a Certificate of Housing Affordability (CHA). This certificate will certify the development as affordable housing, and the building permit will be scheduled for the next available fast track review cycle.

The City also offers the affordable housing concept review and approval process to assist all certified affordable housing developments in meeting the State of Florida Low Income Housing Tax Credit Program application requirements. The review process notifies applicants as to problems and objections pertaining to proposed developments. The money saved by developers through the reduced expenditures in the development of detailed engineered plans is meant to result in the delivery of housing at a lower cost than it would have been without these savings.

AHAC also considered a variety of proposals to simplify regulatory compliance for all development, including affordable housing. Staff indicated they are already pursuing better indexing and simplification of the Land Development Code, for which AHAC is supportive.

Recommendation: In the interest of integrating affordable and market-rate housing, provide automatic fee-waived Fast Track review for projects that include between 10% and 50% affordable units. Any project that includes affordable housing shall receive priority processing under Fast Track review.

Board Action: Adopted.

2) Incentive: Modification of impact fee requirements including reduction or waiver of fees and alternative methods of fee payment.

Review Synopsis: The city does not currently require the payment of impact fees for new development. However, AHAC considered waiving other development fees for projects that include affordable housing or other desirable attributes (and identification of ways to recoup those fees, perhaps from the expected increase in property tax revenue); reduced connection fees for developments that include affordable units; and wider application of the GRU ConnectFree program for both existing and new affordable housing.

Recommendation: Further study required.

Board Action: No Action.

3) Incentive: Allowance of flexibility in densities for affordable housing.

Review Synopsis: The City currently awards density bonus points for affordable housing projects and developments. 8 points are awarded if at least 10% of the housing in a proposed project or development is reserved as affordable housing. 10 points are awarded if at least 20% of the proposed project or development is reserved as affordable housing. These density bonus points allow projects and developments to build at a higher density than is typically allowed by the City. This incentive is meant to lower land costs for affordable housing projects and subsequently lower per unit housing costs for eligible households.

However, staff indicates that this program is not being utilized as currently written. AHAC would like to see further research on its effectiveness, and what changes if any would increase its utilization.

Recommendation: Further study required.

Board Action: No Action.

4) Reservation of infrastructure capacity for housing for very-low-income persons, low-income persons, and moderate-income persons.

Review Synopsis: As stated in the Local Housing Assistance Plan, the City has pledged to implement a policy to reserve a portion of existing infrastructure capacity for affordable housing in the future. At the present, GRU maintains sufficient water and wastewater capacity. Storm water capacity is met on a site-by-site basis.

The Transportation Concurrency Exception Area (TCEA) covers a large portion of the City and allows for development such as urban redevelopment and infill development to occur along roads that are over their traffic capacity. Although the development may be allowed, the exemption does not relieve the developer from various improvements stated in the Concurrency Management Element of the Comprehensive Plan, including, *where necessary, providing public sidewalks along street frontages,*

sidewalk connections from the building to the public sidewalk and closure of existing excessive, duplicative or unsafe curb cuts or narrowing of overly wide curb cuts as defined in the Access Management portion of the Land Development Code. Transportation modifications which are required due to traffic safety and/or operating conditions unrelated to transportation concurrency shall be provided by the developer.

Recommendation: Further study required.

Board Action: No Action.

5) Allowance of affordable accessory residential units in residential zoning districts.

Review Synopsis: Accessory residential units (ARU) were historically an effective means to provide mixed income housing widely dispersed throughout the city. ARUs can provide affordable housing at little government cost, in neighborhoods where it is otherwise costly or impractical to create new affordable housing, and generate a revenue stream to existing homeowners, making their home ownership more affordable while funding better property upkeep. Many currently exist in successful older single family residential neighborhoods, but new ones are generally not allowed by city's current Land Development Code. By comparison, Alachua County does allow "Accessory Living Units" in all single family residential zoning districts.

There are concerns about the impacts of ARUs on neighborhood quality of life. These concerns have been addressed in Alachua County and around the country in a variety of ways, including one or more of the following: Limit of one ARU per lot; limit on the maximum square footage of ARUs; parking requirements; requirement of owner-occupancy of the primary residence; limiting the number of new ARUs created per year city-wide; not allowing new ARUs in single family neighborhoods where existing rental units (primary or accessory) exceed a particular threshold; design requirements intended to ensure ARUs complement their neighborhood, etc. (Examples identified in Colorado, Florida, Massachusetts and Virginia).

Recommendation: Further study required.

Board Action: No Action.

6) Reduction of parking and setback requirements for affordable housing.

Review Synopsis: The City's Comprehensive Plan contains a policy that allows for reduced parking requirements, where appropriate. In instances where it is proven that the proposed use will generate less parking than the minimum required by city ordinances, a city process allows for the reduction of required parking spaces. The City's current parking requirements require fewer parking spaces for low and moderate-income housing. City code currently requires one parking space per bedroom for market rate multi-family housing.

Recommendation: Further study required.

Board Action: No Action.

7) Allowance of flexible lot configurations incl. zero lot line configurations for affordable housing.

Review Synopsis: Zero-lot-line developments have no required setbacks and consequently allow the use of more land construction and for relatively smaller lot sizes. The allowance of zero-lot-line developments in appropriate locations can lower overall housing costs by reducing land costs, and can subsequently benefit eligible households by lowering per unit costs. Additional cost savings in subdivision and building design can also be gained through the *Cluster Subdivision Ordinance*, found in *Section 30-190 of the Land Development Code*.

Recommendation: Further study required.

Board Action: No Action.

8) Modification of street requirements for affordable housing.

Review Synopsis: The City's street width requirements are relatively modest. However, there may still be opportunities to allow further modification of street requirements. Many thriving older neighborhoods have long benefited from much smaller street widths, even including on-street parking and two-way traffic. Changes could allow alternative street specifications (and other reductions in hardscape) for all residential development, to reduce construction costs while benefiting the environment. Methods may include minimizing right of way widths, pavement widths, turn around dimensions, intersection curb radii, reduced curb and gutter requirements, etc. Modified street requirements, as well as reduced can reduce construction costs for all housing, including affordable housing.

Recommendation: Further study required.

Board Action: No Action.

9) Establishment of a process by which the city considers before adoption policies, procedures, ordinances, regulations or plan provisions that increase in the cost of housing.

Review Synopsis: The City has implemented an ongoing review of local policies, ordinances, regulations and comprehensive plan provisions that impact the cost of housing. In this process, new regulations are reviewed to determine potential impact on affordable housing; negative impacts are mitigated when appropriate and feasible. The City reviews and evaluates zoning and other housing regulations to ensure that they do not limit housing opportunities for lower-income groups within the City. Petitions that regulate land use are required to include a fiscal impact statement regarding the impact of proposed development on affordable housing in the City.

Recommendation: Assign a staff person to serve as Affordable Housing Ombudsman (AHO) to vet proposed changes to local policies, ordinances, regulations, and comprehensive plan provisions that impact the cost of housing. To the extent feasible, the AHO shall consult with the AHAC in identifying ways to reduce the cost of regulations or to advance innovations that encourage affordable housing.

Board Action: Adopted.

10) Preparation of a printed inventory of locally owned public lands suitable for affordable housing.

Review Synopsis: An inventory of public lands available for affordable housing is currently maintained by the City.

Recommendation: No action recommended.

Board Action: No Action.

11) Support of affordable housing development near transportation hubs and major employment centers and mixed use developments.

Review Synopsis: The City's implementation of Special Area Plans (SAPs) in the College Park, University Heights, S.W. 13th Street as well as other areas is an example of Gainesville's commitment to development near many employment centers as well as transit routes.

Recommendation: Request creation of a high quality GIS map comparing existing location of transportation hubs; major employment centers (grouped by ¼ mile radius); mixed use development; and existing affordable housing.

Board Action: Adopted.

IV. Additional Recommendations**12) Other affordable housing incentives identified by the advisory committee.****Energy Efficiency**

Recommendation: Find effective means to encourage energy efficiency upgrades to rental units.

Recommendation: Evaluate how bundled rebates are effective at encouraging most cost-effective upgrades, and in particular how often they are used by rental property owners (as opposed to homeowners, builders or others).

Recommendation: Explore ways that private investors could install energy efficiency upgrades in affordable rental or homeowner housing, while tapping Federal tax incentives, state incentives, and local/GRU incentives and also reducing total housing costs.

Ship Staff Support

Recommendation: Have Gainesville AHAC serve as a citizen panel for first level appeal of complaints or grievances from members of the public in the operation of SHIP programs.

Recommendation: In conjunction with the Alachua County AHAC, have Gainesville AHAC sit as a citizen panel for ranking applications for Special Housing Needs City/County Grant.

Property Taxes and Insurance

Further study required: Property Taxes and Insurance: There is a major problem for first-time home buyers (particularly low-income), when after one year insurance and property taxes cause monthly housing costs to rise dramatically.

Community Land Trust

Further study required: Explore establishment of a community land trust for affordable housing.

Mobile Homes

Further study required: Consider public incentives to increase the availability of mobile home slots in the area (particularly in light of past and expected closings of existing mobile home parks).

V. City Commission Consideration

This report will be submitted to the City Commission on December 18, 2008.

VI. Attachments

AHAC Membership Adopting Resolution
Public Hearing Advertisement
Resolution to adopt Incentives or Board action
Resolution to amend LHAP (if applicable)

VII. Reference Documents

Alachua County, Affordable Housing Advisory Committee, "Draft Incentives Recommendations," Sept 2008.
Alachua County, Affordable Housing Symposium, "Symposium Material," August 13, 2008.
Alachua County, Affordable Housing Symposium, "Draft Summary of Group Discussion: Priorities for Program Strategies," September 13, 2008.
Alachua County, Growth Management Housing Programs, "Affordable Housing Needs in Alachua County," Aug 2008?
Alachua County and City of Gainesville, "Homeless Conditions in Gainesville: A point in time census and survey results," pre-release September 22, 2008.
City of Gainesville, Ad Hoc Affordable Housing Committee, "Final Report," December 12, 2005.
City of Gainesville, City Auditor report to Audit and Finance Committee, "Review of Neighborhood Housing and Development Corporation," January 28, 2003.
City of Gainesville, City Auditor report to Audit, Finance and Legislative Committee, "Review of Housing Performance Measures," June 10, 2008.
City of Gainesville, City Auditor report to Audit and Finance Committee, "Review of Housing Division," June 4, 2003.
City of Gainesville, Community Development Committee, "Minutes of July 24, 2008," Adopted August 28, 2008.
City of Gainesville, "Housing Data and Analysis Report," Effective March 4, 2002.
City of Gainesville, "Local Housing Assistance Plan (LHAP) 2005-2007," June 12, 2006.
City of Gainesville, "SHIP Affordable Housing Initiatives and Relevant City of Gainesville Ordinances and Policies"
City of Gainesville, "SHIP Program Annual Report," September 15, 2008.
David Rusk, "Healthy City, Healthy Region: An Update: Ten Years Later", January 2007.