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City of Gainesville Department of Sustainable Development Planning Division

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Development Review Best Practices to Help Create or Lower the Cost of Housing

Local and state regulations play a powerful role in shaping the housing market, especially when it comes to affordable housing. Effective on July 1st, 2020, the Florida Senate passed <u>CS/CS/CS/HB 1339</u> (House Bill 1339)¹ which authorized local governments to approve the development of affordable housing on any parcel zoned for residential, commercial, or industrial use. The state's support for the creation and approval of affordable housing projects shows both the importance of creating affordable housing and that barriers to approving affordable housing should be minimized where possible.

At the local level, many of the best practices on enacting affordable housing are related to policy and other strategies. A review of a report from the Local Immigration Partnership's "Promising & Innovative Practices in Affordable Housing"² indicates that municipalities can utilize strategies such as density bonuses, community land trusts, accessory dwelling units (ADUs), and inclusionary zoning policies to promote affordable housing. The City of Gainesville is currently exploring some of these strategies, some of which have already been enacted with direction from the City Commission.

Development review is seldom on these lists of affordable housing best practices; however, it remains an important part of the approval process that oftentimes is overlooked in how it can be utilized. The development review process can both inhibit and benefit the creation of affordable housing, depending on the level of review. In the Urban Land Institute's "<u>Best Practices in the Production of Affordable Housing</u>"³ (2005), ULI explains that local government and coordination at the development review stage is critical to approving affordable housing projects:



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"Local governments can 'set the table' with assistance for land acquisition or tax deals, or with other supportive measures that help underwrite the development. However, local governments can be a hindrance later in the process with time-consuming, inconsistent, duplicative, or unwarranted review, developers say. Streamlined local government is crucial, both nonprofit and for-profit developers say." (Urban Land Institute, 2005).

Lengthy development review processes and additional reviews for projects can hinder project approval and can be cost-prohibitive in terms of the time and dollars spent, especially if the project could have been approved administratively without the need for an extended review process.



Typical Development Process Map from The Housing Affordability Toolkit (National Multifamily Housing Council)

This is the crux between By-Right vs. Discretionary development review processes; most cities exist on a spectrum of both. The National Multifamily Housing Council (NMHC) created the Housing Affordability Toolkit⁴ that explains trends and offers recommendations and solutions to the housing affordability crisis. The By-Right Development section of the Housing Affordability Toolkit explains that developers are counting on development review processes that are predictable, where they are ensured that their development proposals are not up to the discretion of multiple stages of review. Incurring additional reviews through a discretionary review



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process with development review committees, design review, community hearings, and council review invites uncertainty that is contingent on the approval from various levels. While discretionary review processes give increased power to review boards, elected officials, and city staff, this comes at a cost to the developer's and the local government's time and resources.

By-Right development review differs from discretionary development review in that it circumvents multiple review processes by permitting development by-right that meets a set of rules and land development regulations and by limiting the amount of additional review that many refer to as the "red tape" of local government. Developed under President Obama in September 2016, the <u>Housing Development Toolkit</u>⁵ highlights the "establishment of by-right development as a way for local jurisdictions to promote healthy, responsive, high-opportunity housing markets, despite the common and sometimes challenging political barriers to reform and improvement" (2016). The Housing Development Toolkit explains how by-right development can be targeted to achieve the local jurisdiction's goals by making approval contingent on satisfying them:

"As-of-right or by-right development allows for projects to be approved administratively when proposals meet local zoning requirements. Such streamlining allows for greater certainty and more efficient development and, depending on a locality's regulatory approach, supports lessening of barriers from density limits and other zoning requirements. It can also be targeted to achieve public goals by making 'by-right' approval contingent on increased affordable housing, transit-oriented development (TOD), or energy efficiency" (The White House, 2016).

By-right development review and expedited review processes can be used to achieve local jurisdictions' affordable housing goals and can be considered its own best practice in creating or lowering the cost of housing.



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Works Cited

^{1.} <u>CS/CS/CS/HB 1339: Community Affairs</u>. The Florida Senate, 2020.

^{2.} Randalin Ellery. <u>"Promising & Innovative Practices in Affordable Housing"</u>. Local Immigration Partnership. March 2019.

^{3.} <u>"Best Practices in the Production of Affordable Housing".</u> Urban Land Institute, 2005.

^{4.} <u>"The Housing Affordability Toolkit".</u> National Multifamily Housing Council.

^{5.} <u>"The Housing Development Toolkit".</u> The White House, 2016.