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1/6/2022	1	City Commission	Approved, as shown above	Pass

Final Report Inclusionary Housing Program Development and Exclusionary Zoning Study (B)

On August 31, 2020, the City Commission requested that staff begin the development of an inclusionary zoning (IZ) program and conduct a review of potential exclusionary zoning provisions contained within the City’s Land Development Code. The referral was part of a multi-part motion intended to further the City’s equitable development goals through a variety of policy and programmatic strategies.

HR&A Advisors was engaged by the City of Gainesville to analyze the causes of and potential strategies to address housing instability and racial inequities and develop a report and recommendations based on the study’s findings.

This study responded to the following guiding questions:

1. What drives housing instability and inequities in Gainesville?
2. How do exclusionary land use controls drive local housing market trends?
3. How can changes to exclusionary land use controls make housing in Gainesville more equitable?
4. Is an inclusionary zoning policy a feasible and effective tool for producing new affordable housing in Gainesville?
5. What other programs and policies are needed to address housing instability and inequities?

The analysis and full report are included in the backup including a series of recommendations based on the consultant’s findings. The principal report recommendations are as follows:

1. The City should remedy existing exclusionary land use controls, by amending the City’s rules and regulations by focusing on those that have the highest exclusionary impact in Gainesville, including strict lot utilization and parcel constraints, strict design and compatibility requirements, and occupancy and mobile home limitations (page 16 of report).
2. The City should implement a mandatory IZ policy requiring that rental developments with at least 10

residential units provide a 10 percent set-aside of units that are affordable to households earning up to 80 percent of Area Median Income, offering a density bonus incentive of up to 30 percent. If possible, the City should also explore additional incentives, such as a synthetic TIF, to deepen affordability (e.g., to create units affordable to 60 percent of AMI) (pages 21-22 of report).

3. Both of these strategies should be used in combination with a set of housing tools to address the housing needs of low- and very low-income Gainesville residents, who have the highest housing need. HR&A recommends that the City of Gainesville work to identify revenue sources for an Affordable Housing Trust Fund and assess the possibility of deploying local subsidy for affordable housing (page 23).

Strategic Connection: This is a high priority strategy under Goal 3: A Great Place to Live & Experience in the City of Gainesville Strategic Plan.

Variable. An inclusionary zoning program could potentially result in local funding for affordable housing in the form of in-lieu payments that would support the City's affordable housing strategy.

Staff to City Commission: Review the report and recommendations and provide direction as appropriate including:

1. Which exclusionary zoning controls should the City amend, reduce, or eliminate?
2. Provide an expected timeline for final Commission consideration of exclusionary zoning code amendments.
3. Provide direction on the inclusionary housing program recommendations and if appropriate, direct the City Manager to develop a program implementation plan and schedule and direct the City Manager and City Attorney's office to draft an inclusionary housing ordinance for Commission action at a future meeting.
4. Provide additional direction, as needed.