

# SHIP Incentive Strategies and the AHAC

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Presenters Michael Chaney and Gladys Cook

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# Presenters



**Michael Chaney,**  
*Florida Housing Coalition*



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[www.flhousing.org](http://www.flhousing.org)

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# Guidance from Florida Housing Finance Corporation



**Robert Dearduff,**  
*Special Programs Administrator*  
*State SHIP Administrator*

## Affordable Housing Advisory Committee (AHAC)

- AHAC recommends regulatory incentives:
  - Florida Statute 420.9076
  - Rule 67-37.010
- “Review the established policies and procedures, ordinances, land development regulations, and adopted local government comprehensive plan...
- and **recommend initiatives to encourage or facilitate** affordable housing while **protecting the ability of the property to appreciate** in value.”

## Recommend Incentives for Affordable Housing



- Recommend modification or repeal of **existing** policies, procedures, regulations;
- Recommend the **creation of exceptions** applicable to affordable housing;
- Recommend adoption of **new** policies or amendments to local **comprehensive plan**.

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# HANDOUT: AHAC Guidebook

## Affordable Housing Incentive Strategies:

A Guidebook for Affordable Housing Advisory  
Committee Members and Local Government Staff



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## POLL

**For how long has your  
AHAC been assembled?**

- Just assembling OR Less than a year
- More than a year
- More than 3 Years
- More than 9 Years





## **Is an AHAC Report required from every SHIP Jurisdiction?**

- **AHAC Report is only due for cities and counties that receive allocations of more than \$350,000**



## When is the AHAC Report Due?

- AHAC Report must be completed in the December before your LHAP must be updated.
  - If Update LHAP due May 2019, then AHAC Report is due December 2018

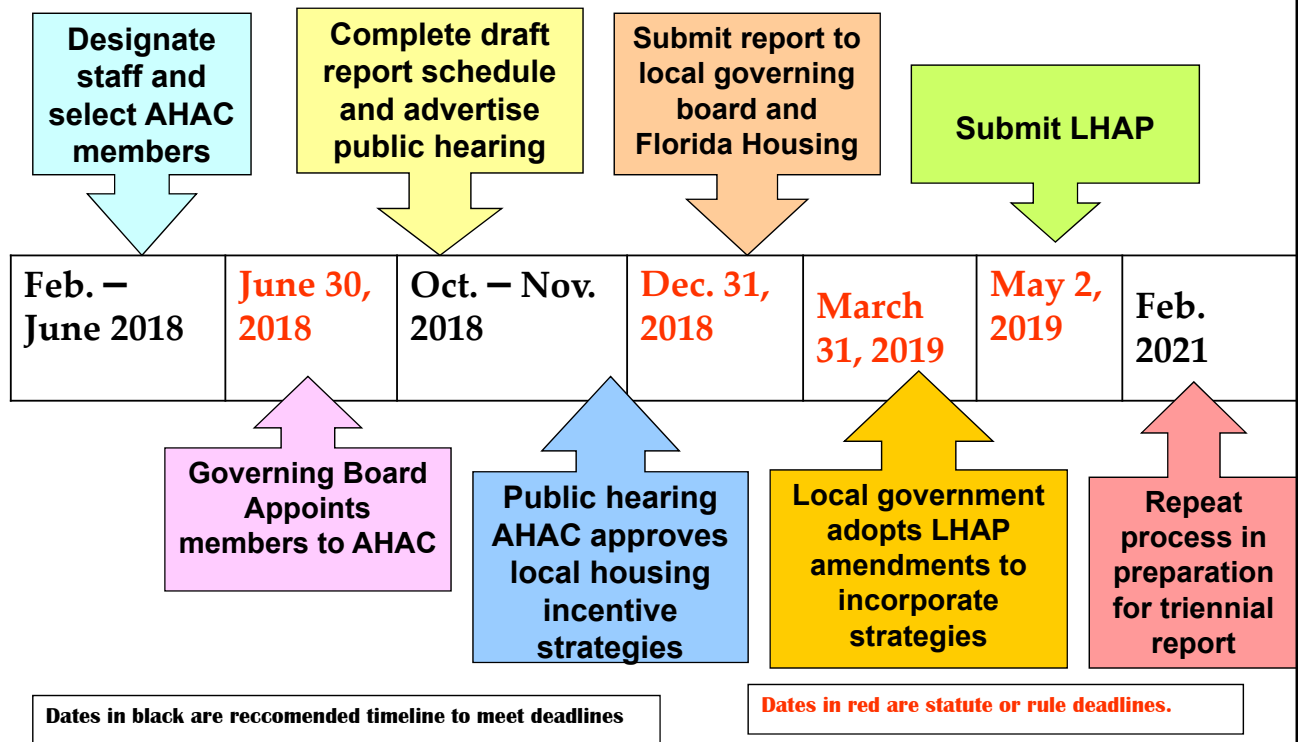
OR

**Due Date  
Handout**

When jurisdiction's SHIP  
allocation exceeds  
\$350,000



## AHAC Report Time Line



# **Recruit AHAC Committee Members**

## **2016 AHAC Changes to SHIP Statute**

- **AHAC members no longer required to be appointed by resolution**
- **At least 8 members but not more than 11 members**
- **Must consist of 1 representative from at least 6 of the 11 categories**



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## AHAC Membership Categories

1. Citizen engaged in the residential home building industry in connection with affordable housing
2. Mortgage banking industry
3. Labor actively engaged in home building
4. Advocate for low-income persons
5. For-profit provider of affordable housing



## AHAC Membership Categories

- 6. Not-for-profit provider of affordable housing
- 7. Real estate professional
- 8. Local planning agency member per 163.3174
- 9. Citizen who resides within the jurisdiction
- 10. Representative of employers in jurisdiction
- 11. Representative of Essential Services Personnel



## AHAC Staff Support



- AHAC staff support from SHIP and Planners
- “Cooperatively staffed by the local government department or division having authority to administer local planning or housing programs to ensure an integrated approach to the work of the advisory committee.”
- Provide orientation to current incentive strategies and report requirements.

## Some General Comments

- Handout: Report Template
- Work closely with those pulling the permits
- Learn your fee structure- plan review to permits
- Learn your comp plan and land use areas
- Take a look at the timeframe and steps in your system



# Mandatory Incentive Strategies

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## (a) Mandatory Expedited Permitting

- “The processing of expedited permits or development orders to a greater degree than other projects for affordable housing.”
- Local land use planning and zoning codes can Break or Make affordable housing.
- Purpose: Time is Money!



## What Qualifies for Expedited Attention?

- **Define: What is an affordable housing project?**
- **What process initiates expedited permitting?**
- **Many TYPES of Expedited Review: Variances, re-zoning, waivers, request for re-platting, review of the builder's plans.**

## Florida Examples: Expedited Permitting

### Pasco County

- Affordable single and multi-family development permit application packets have a yellow band to indicate expedited review
- Staff within the Growth Management Division shepherds application through review.



### Sarasota County

- SHIP office provides developer with “Priority Processing Notification form”



## (i) Mandatory Ongoing Review

- “The establishment of a process by which a local government considers, before adoption: policies, procedures, ordinances, regulations, or plan provisions that increase the cost of housing.”
- Purpose: Avoid adoption of additional hurdles to affordable housing development.

# Report Each Year on Mandatory Incentive Strategies

## State Housing Initiatives Partnership (SHIP) Program Annual Report and Local Housing Incentives Certification

On Behalf of \_\_\_\_\_ (Local Government), I hereby certify that:

1. The Annual Report information submitted electronically to Florida Housing Finance Corporation is true and accurate for the closeout year \_\_\_\_\_ and interim years \_\_\_\_\_.
2. The local housing incentives or local housing incentive plan have been implemented or are in the process of being implemented. Including, at a minimum:
  - a. Permits as defined in s.163.3164 (15) and (16) for affordable housing projects are expedited to a greater degree than other projects; and
  - b. There is an ongoing process for review of local policies, ordinances, regulations, and plan provisions that increase the cost of housing prior to their adoption.
3. The cumulative cost per newly constructed housing per housing unit, from these actions is estimated to be \$ \_\_\_\_\_. 
4. The cumulative cost per rehabilitated housing per housing unit, from these actions is estimated to be \$ \_\_\_\_\_. 

Staff Member responsible for submitting annual report to FHFC: \_\_\_\_\_

\_\_\_\_\_  
Witness Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chief Elected Official or Designee Signature

\_\_\_\_\_  
Date

# **INCENTIVE STRATEGIES**

## **the SHIP Statute requires**

## **the AHAC to consider**

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## Topics for Discussion: Items A - K

**“Each advisory committee shall submit a report to the local governing body that includes recommendations on... affordable housing incentives in the following areas:”**

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## AHAC Tasks when reviewing Incentives

### Reviewing local plans and codes

- Comprehensive Plan
- Land Development Code
- Neighborhood Action Plans
- Overlay Districts

### Importance of Market Analysis

- Understanding community demographics
- Housing needs

## **(b) Impact Fee Modifications**

- **“The modification of impact-fee requirements, including reduction or waiver of fees and alternative methods of fee payment for affordable housing.”**
- **Impact Fees: typically used for roads and transportation, parks and recreation, emergency medical services, fire safety, water and sewer connections and schools.**

## Impact Fee Options

- **Fee Deferment** – must be repaid at some point
- **Fee Waiver**
  - When impact fees have been pledged as repayment source for local bonds, they cannot be waived.
  - Future bond issues may have built in waiver for certain circumstances, such as affordable housing.
- **Fee Modification:** base on square foot rather than unit. Unit fee is regressive because greater impact on smaller/more affordable unit.
- **Alternative sources of payment for impact fees**

# Impact Fee Examples

## Lee County

- A waiver of all impact fees within 3 enterprise zones.
- **School Impact Fee Rebate:** low income purchaser receives a 50% rebate paid directly to mortgage holder
  - Funded by the interest on the impact fee account.
  - By 2017 had reimbursed \$687,370
  - Total of 515 units, 246 VLI, 247 LI, and 22 Moderate income

## Collier County

- Previously used SHIP funds to pay impact fees
- “Legally de minimis” to waive up to 3% of annual impact fee fund.
- A soft second mortgage is recorded and the fee is repaid when the home sells.

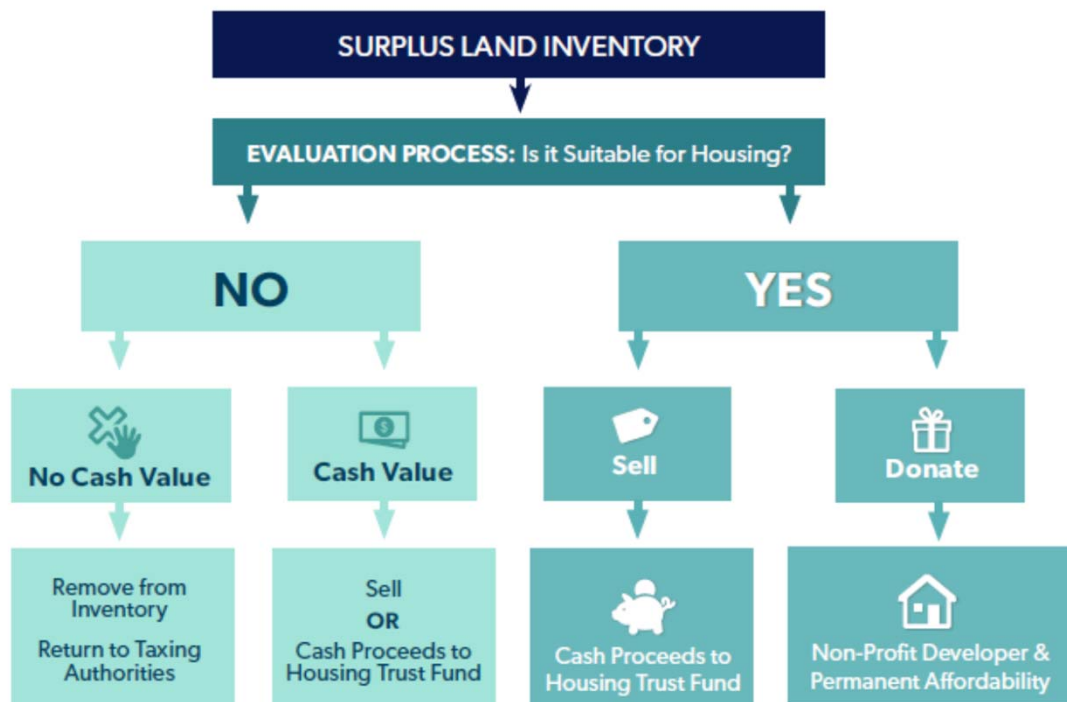
## (j) Land Bank Inventory

- “The preparation of a printed inventory of locally owned public lands suitable for affordable housing.”
- Purpose: Reducing or eliminating the cost of land decreases the cost of developing affordable housing.
- Statutory Requirement since July 2007: Create a Surplus Land Inventory for affordable housing. Statutes 125.379 and 166.0451 (2017)
- Download FHC Surplus Land Guidebook
- <http://www.flhousing.org/wp-content/uploads/2019/02/Surplus-Lands-Guidebook-WEB-2018.pdf>

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# Local Governments: Surplus Lands



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## Ongoing Land Bank Activities

**First:** Identify properties suitable for affordable housing.

**Second:** Evaluate title or physical issues and correct:

- Clear title issues- need insurable title
- Environmental conditions- clear or mitigate
- Available infrastructure /Access by public roads
- Zoning and Land use classifications
- Proximity to transportation, services, employment centers

**Third:** Disposition of properties for affordable housing.

## **LAND DONATION:**

### **Section 420.615, FL Statutes**

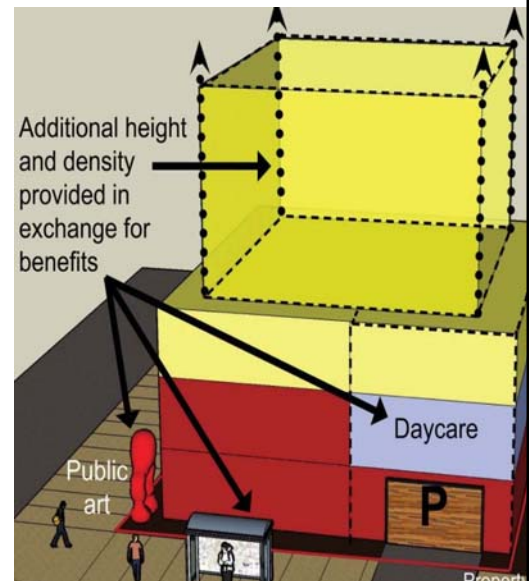
- A local government may provide “density bonus incentives” to any landowner who voluntarily donates land to the local government for affordable housing.
  - The land must be subject to deed restrictions.
  - The additional units built do not have to be affordable.





## (c) Density Flexibility

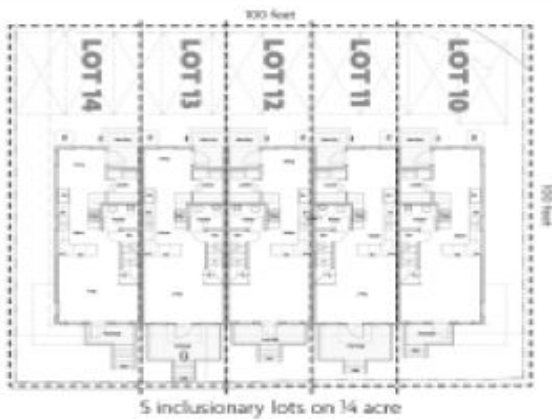
- “The allowance of flexibility in densities for affordable housing.”
- Build more housing on a given plot of land.
- Purpose: Increased density offers an economic incentive.



INCLUSIONARY HOUSING

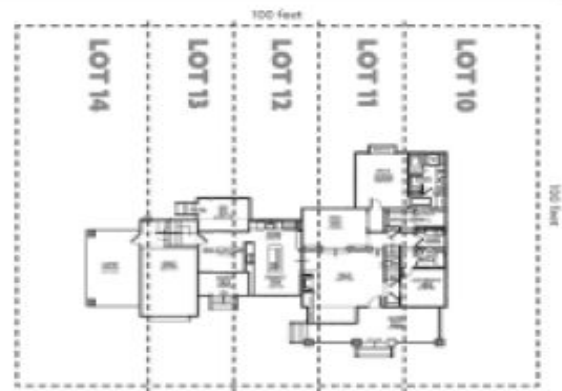


K2 - INCLUSIONARY HOUSING  
TALLAHASSEE, FLORIDA



5 inclusionary lots on 1/4 acre

ESTATE HOME



1 estate lot on 1/4 acre

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## Key Considerations about Density

- Consider the length of time that units must maintain affordability.
- Offer density bonus in targeted area or for any selected parcel of land
- Bonuses work best where developers cannot get as much land as they need.
- May be more applicable to multi-family rental, rather than to single family subdivisions.

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## (e) Accessory Dwelling Units

- “The allowance of affordable accessory residential units in residential zoning districts.”
- **FS 163.3177(2)(a)**
  - “an ancillary or secondary living unit, that has a separate kitchen, bathroom, and sleeping area, existing either within the same structure, or on the same lot, as the primary dwelling unit.”
  - “To promote the use of accessory dwelling units as a tool to help local communities address deficits in the supply of affordable rental housing for very-low-, low-, and moderate-income residents.”
- **ADU may be an apartment within the primary residence OR an attached or freestanding home on the same lot as the primary residence.**
- **Accessory Dwelling Units Model Local Ordinance:**  
[http://www.aarp.org/home-garden/housing/info-2000/accessory\\_dwelling\\_units\\_model\\_state\\_act\\_and\\_local\\_ordinance.html](http://www.aarp.org/home-garden/housing/info-2000/accessory_dwelling_units_model_state_act_and_local_ordinance.html)
- **Example: Santa Cruz, California. ADU Manual:**  
<http://www.cityofsantacruz.com/home/showdocument?id=8875>

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## Land Use Code and ADUs

- ADU's be allowed in all single family zoning districts- by right and not as conditional use
- There be no owner-occupancy requirement for ADUs
- Local governments should revise their ADU ordinances to allow accessory dwelling units to be rented on the market
- Local governments should set a square foot limitation rather than a lot proportion of the primary unit
- Do not count ADU's as part of density calculations
- Do not need to regulate ADU's for affordability- they are NOAH (naturally occurring affordable housing)

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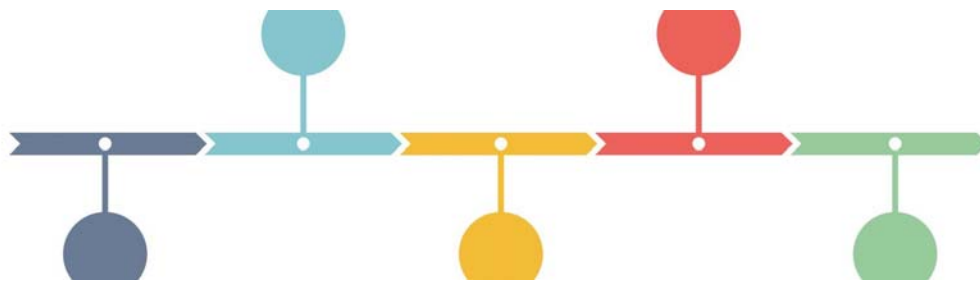


# **TIMELINE and RESPONSIBILITIES**

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## TIMELINE and RESPONSIBILITIES

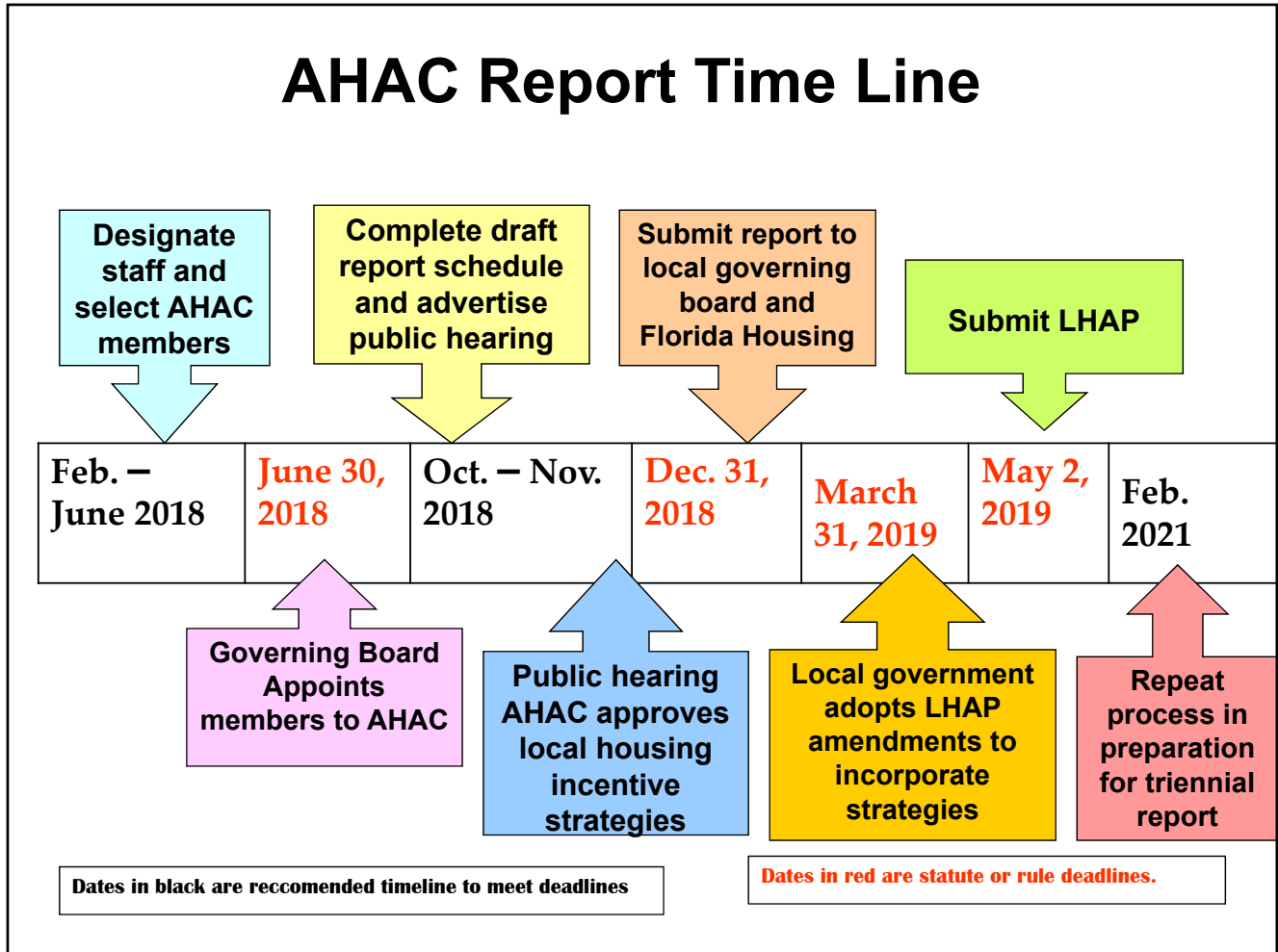


### STEPS

- Assemble AHAC members
- Consider affordable housing incentives in 11 areas outlined in FL Statutes
- Present report to City/County Commission
- HANDOUT contains Statute/Rule reference, LHAP due dates, AHAC Timeline

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## **AHAC has public meetings, plus a public hearing to vote on report**

- **Public Hearing**: Approval of recommendations by affirmative vote of a majority of the members at a public hearing.
- Notice of public hearing time, date, and location must be published in a newspaper of general paid circulation
- Notice must contain a summary of the recommendations and state where a copy may be obtained

## **POLL      What is the status of your AHAC Report?**

- Our AHAC Report is not due now
- AHAC committee and report not initiated
- AHAC members assembled
- Some AHAC meetings completed
- Report complete or to be voted on within a month



## Related Training

# Examples of AHAC Reports

View End of Recording:

<https://vimeo.com/144782474>

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## Possible AHAC Outcomes

- Recommend adding new incentive strategies
- Recommend changing existing incentive strategies
- No recommendations for anything new
- Commission accepts recommendations
- Commission takes no action

## **More Possible AHAC Responsibilities**

**AHAC may assist staff in many ways**

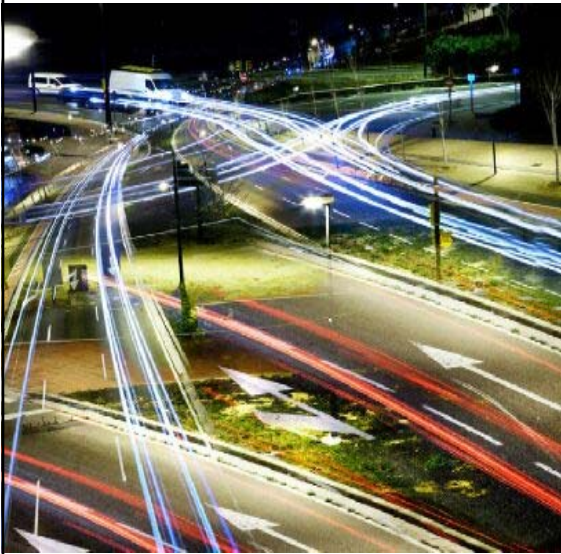
- **Review new strategies**
- **Enhance existing strategies**
- **Community Outreach and Feedback**
- **Help create SHIP Procedures**

## MORE Details on Items A - K

### (d) Reservation of Infrastructure

- “The reservation of infrastructure capacity for housing for very-low-income persons, low-income persons, and moderate-income persons.”
- Some parts of Florida do not have enough water, sewer capacity, or transportation concurrency for all potential development.
  - A developer may build a house and yet be unable to get water and sewer hook ups.

## (k) Proximity



**“The support of development near transportation hubs and major employment centers and mixed-use developments.”**

**Purpose: Decrease transportation costs to increase housing affordability**

## (f) Parking and Setbacks

- “The reduction of parking and setback requirements for affordable housing.”
- Some housing may benefit from a reduction in the required number of parking spaces required by the land use code.
  - **EXAMPLE:** housing for elderly residents or people with disabilities
- Regular zoning often comes with standard street requirements



## (g) Flexible Lot Configurations

- “The allowance of flexible lot configurations, including zero-lot-line configurations for affordable housing.”
- Zero-lot-line = two neighboring houses back to back, with a common wall between
- 15 ft side set-back requirements common,
  - Allow smaller setbacks to offer more freedom arranging home on lot.

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## (h) Street Requirements

- “The modification of street requirements for affordable housing”
- Example: *An allowance for parking on only one side of the street.*
  - Reduces the required width for the road, reduces paved area and accompanying drainage/water retention
  - This design allows for parking on the street instead of garage/carport
  - This approach may require a public hearing. Allow administrative approval of flexible options
  - Typically not helpful – you don’t want to create substandard subdivisions.

# Incentives Beyond those Referenced in Statute

# Inclusionary Housing Zoning Ordinances

- Large-scale greenfield developments creating new towns with need for permanently affordable housing
- Planned Unit Development with Mixed Uses



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## Inclusionary Housing in U.S.

- Several hundred inclusionary housing ordinances. Most are in California and the Northeast- NY, NJ, MA, Vermont
- Over 80,000 Californians live in the mixed-income neighborhoods.
- Several lawsuits have claimed IZ to be 'unconstitutional takings', but none have been successful
- Builders Association sued over Tallahassee IZ Ordinance and lost.

# Inclusionary Zoning

## Example: City of Jupiter



[http://www.flhousingconference.org/wp-content/uploads/2014/09/Maier-AND-Thoburn-FHC-015\\_Annual\\_Conference\\_Presentation.pdf](http://www.flhousingconference.org/wp-content/uploads/2014/09/Maier-AND-Thoburn-FHC-015_Annual_Conference_Presentation.pdf)

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# QUESTIONS AND EVALUATION

## Request a Site Visit to prepare for AHAC, Monitoring, or more



- Call (800) 677-4548
- Up to 6 hours of training in your office
- Review of Files, Staffing, Procedures
- Discuss new and existing strategies

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## Technical Assistance is Available

Available Daily: **1 (800) 677-4548**

### Options for Further Assistance Include:

Phone and Email consultation

Site Visits

Register at [www.flhousing.org](http://www.flhousing.org) for:

Workshops

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